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TODAY:
The Automated Home, Page 7



Colombia Quake Toll Reaches 700 Amid Fears It Will Top 2,000

Local volunteers picking through the debris of collapsed homes on Wednesday in Armenia, a city of 300,000 in the coffee-growing region of western Colombia that was struck hard by an earthquake on Monday. Officials say that tens of thousands have been left homeless by the tremor, which lasted only 18 seconds but registered 6.3 on the Richter scale. Page 3.

Partisan Vote on Clinton Seems to Assure Acquittal

Move to Dismiss Fails, but Only One Democrat Defects

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Senate voted Wednesday to take testimony from potential witnesses in the impeachment trial of President Bill Clinton, and it debated a motion to dismiss the case, but the vote margins allowed the White House and Democrats to proclaim that the votes for conviction did not exist and that it was "now time to end this trial."

All but one of the 45 Democrats voted for dismissal; the same 44 voted against witnesses.

While the Republican majority succeeded in keeping the trial alive, Democrats said it was now clear that the 67

Republicans sought middle ground. • A puzzling witness list. Page 3.

Mr. Clinton's intimate relationship with Monica Lewinsky appeared premature, but momentum continued to grow for bringing the trial to a quick end.

Even as the votes underscored the enduring partisan split over impeachment, members of both parties were working intensely outside the Senate chamber on a Republican plan to impose an accelerated timetable on the historic trial and bring it to an end as early as next week. Democrats offered their own plan.

Mr. Daschle, who was to meet with his Republican counterpart, Senator Trent Lott of Mississippi, predicted that a compromise would be reached.

Meanwhile, the Senate is largely in uncharted waters. The votes Wednesday were the last act agreed on Jan. 8, when the two parties reached an unexpected accord on a framework for the trial.

Both votes Wednesday were 56 to 44, with one Democrat, Senator Russell Feingold of Wisconsin, joining the 55 Republicans each time. Mr. Feingold, a liberal senator viewed as something of a maverick, has expressed concerns about parts of Mr. Clinton's defense.

The outcome of the two votes was as expected, though a handful of Republican senators had publicly wavered on the witness question. They apparently returned to the party fold after House Republican managers agreed to depose only three witnesses — Ms. Lewinsky, the Clinton confidant Vernon Jordan Jr., and Sidney Blumenthal, a White House aide.

Even before the Senate vote, the White House castigated the decision to

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U.S. Threat On Trade Angers EU And Japan

Compiled by Our Staff From Dispatches

WASHINGTON — The Clinton administration, watching the U.S. trade deficit mushroom, has revived a controversial trade policy weapon, drawing angry responses Wednesday from the European Union and Japan.

The U.S. trade representative, Charlene Barshefsky, told the Senate Finance Committee on Tuesday that President Bill Clinton would issue an executive order reinstating "Super 301," a process in which the United States singles out countries deemed to have erected barriers to U.S. goods. The process can ultimately lead to stiff economic sanctions.

The move comes amid rising tension over trade in goods ranging from steel to bananas. The U.S. trade deficit has soared as American consumers, buoyed by a healthy economy, step up their purchases of foreign goods discounted by economic crises abroad.

The flip side of those crises — lower demand for some U.S. exports — has contributed to what some European and Japanese officials see as a rising tide of protectionist sentiment in America.

"It looks as if the United States is bowing to domestic protectionist pressures, which we consider to be very regrettable," said Nigel Gardner, spokesman for the EU trade commissioner, Sir Leon Brittan. The Japanese international trade and industry minister, Kaoru Yosano, called the U.S. move "a political act aimed at domestic politics," as well as increased anti-Japanese sentiment in Congress.

The Clinton administration had allowed the Super 301 trade provisions to lapse in 1997, as the U.S. moved into accord with a system of resolving trade disputes under the Geneva-based World Trade Organization.

The measure provides for the publication of an annual list of trading partners who are judged to be acting unfairly and makes investigation of them mandatory.

Ms. Barshefsky said the process would begin this spring with the release of that list, prompting 90 days of intense negotiations with the targeted countries. If those talks do not produce agreement, the administration will begin formal investigations that, after a year, could result in trade sanctions.

The United States is engaged in bitter rows with the EU over trade in bananas and beef produced with hormones, and with Japan and other countries over steel imports.

American steel producers are demanding sanctions against their

See TRADE, Page 4

Jakarta Suggests a Free East Timor

Possibility Raised for Territory Indonesia Invaded 24 Years Ago

By Michael Richardson
International Herald Tribune

SINGAPORE — Indonesia said Wednesday that it was prepared to consider giving independence to East Timor — the first time officials have acknowledged such an option since Indonesian forces invaded the former Portuguese colony 24 years ago.

In a related move that appeared to show growing flexibility in Jakarta's negotiating position, Indonesian authorities also said that Xanana Gusmao, the imprisoned East Timorese resistance leader, would be moved to de facto house arrest.

This follows recent calls by Kofi Annan, the United Nations secretary-general, and some governments for Mr. Gusmao to be released so that he could join negotiations on the territory's future.

Jailed in 1992 for 20 years for leading East Timorese guerrillas fighting Indonesian control, Mr. Gusmao is widely seen as a leader who can help calm tensions in East Timor.

In the midst of the worst recession in a generation, Indonesian soldiers and police are struggling to contain the religious, ethnic and political violence that has wracked the nation since riots in Jakarta in May ended President Suharto's 32-year authoritarian rule.

His successor, President B.J. Habibie, has tried to restore respect for the government by pledging to improve human rights and implement political reforms, including the granting of wide-ranging autonomy to East Timor.

Until now, the negotiations over East Timor have been between Indonesia and Portugal, still recognized by the UN as the legitimate administering authority of the territory, despite Indonesia's invasion in December 1975 and the formal incorporation of East Timor as an Indonesian province in 1976.

But in separate comments, two members of Indonesia's cabinet — Foreign Minister

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U.S. Pursues United Stand on Milosevic

Goal Is to Get Allies to Demand Autonomy for Kosovo or Resort to Force

By Joseph Fitchett
International Herald Tribune

PARIS — The Clinton administration sought Wednesday to orchestrate Western pressure on the Yugoslav leader, Slobodan Milosevic, to make political and military concessions in Kosovo.

Officials said that Secretary of State Madeleine Albright would not attend a meeting with European foreign ministers unless they promised to demand Serbian recognition of autonomy for the province, and to back up the demand with the threat of NATO force.

"Today has been a good day; we've got much more linkage in the Western positions and I hope, even expect, that we'll have an agreement today," an ambassador to NATO said by telephone from the organization's headquarters as consultations continued about the terms

of a final warning to Belgrade about the possibility of air strikes.

"I'm reasonably optimistic today, and frankly I wasn't yesterday, that we can come together in a way that mobilizes NATO and the other key international groups," the ambassador said.

Mrs. Albright, traveling now in the Middle East, has been negotiating by telephone with her European counterparts in the contact group.

The NATO ambassador's comments underlined the friction in recent days with the European allies as the Clinton

administration has urged NATO to issue a new ultimatum threatening force unless Belgrade makes broad concessions, a package dubbed "compliance plus" because it goes beyond the terms of the U.S.-brokered deal in October that averted air strikes.

A Western consensus appeared within reach, the ambassador and other officials said, in which a renewed threat of military action would come from NATO while the new political approach was formulated by the six countries

See KOSOVO, Page 6

Republican Leader Seeks A Graceful Way to Punish

By David E. Rosenbaum
New York Times Service

WASHINGTON — Searching for a graceful ending to the impeachment trial, Senator Trent Lott, the Republican leader, has named a six-senator working group to examine how the Senate could vote to express its view that President Bill Clinton committed perjury and obstructed justice without removing him from office.

Mr. Lott's problem is one of numbers: A majority of senators — most Republicans and possibly some Democrats — believe that the president committed the offenses described in the articles of impeachment, and they do not want to end the trial with only a vote to acquit. But far fewer than the two-thirds of senators required by the constitution are prepared to vote the president out of office.

In addition, opinion polls show that most people agree that Mr. Clinton is culpable but do not want him expelled from office.

The latest device under consideration would be a preliminary vote on "findings of fact," in which senators could affirm the truth of the charges in the articles of impeachment. Presum-

ably a majority would vote in favor. A second vote would then be taken on removing the president from office. Presumably it would fail for lack of a two-thirds majority.

This seems to pass constitutional muster. The first vote would not involve punishment. In many respects, it would be hardly different from the censure resolution that some Democrats have advocated as an alternative to impeachment.

Laurence Tribe, a constitutional law professor at Harvard Law School, said it would be perfectly permissible for the Senate to vote to express its official opinion that the president had committed the offenses with which he was charged but to forgo conviction on the ground that the offenses were not the high crimes necessary for removal from office.

In three instances in the 19th and early 20th centuries, the Senate voted to convict judges and then took separate votes to remove them from office. But the authorities who have reviewed the records say there was never any thought that those judges could remain in office once they were convicted of the articles of impeachment.

The working group named by Mr. Lott consists entirely of Republicans. The co-chairmen are Senator Olympia Snowe of Maine and Senator Pete Domenici of New Mexico, and the other members are senators John Ashcroft of Missouri, Susan Collins of Maine, Mitch McConnell of Kentucky and John Warner of Virginia.



GREETING THE POPE — Nuns cheering Wednesday as Pope John Paul II arrived to celebrate Mass in a football stadium in St. Louis. The Pope met with Bill Clinton and focused on broad moral issues. Page 2.

AGENDA

Brazil's Currency Continues Its Decline

The government of Brazil raised interest rates sharply Wednesday to try to shore up the country's currency, the real, but the move failed to stem its precipitous decline. Despite other austerity measures in

Brasilia, the real weakened further, pushing the dollar up as high as 1.90 reals from 1.84 reals Tuesday and bringing its decline to 37 percent since Brazil devalued it on Jan. 13. It closed at 1.88 to the dollar. Page 11.

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7-Day Drama Jolts Jordan

Abdullah Sworn In as King's Cancer Reappears

By Douglas Jehl
New York Times Service

AMMAN — Crown Prince Abdullah was sworn in Wednesday as Jordan's regent and heir to the throne, as his family and top government leaders gathered to pledge their support amid growing concern that his father, King Hussein, may never return from a new round of cancer treatment in the United States.

Doctors confirmed Wednesday that the king, ruler here since 1953 and a steady hand in Middle East politics, has suffered a recurrence of the non-Hodgkin's lymphoma for which he recently underwent six months of intensive treatment.

King Hussein, 63, returned to the Mayo Clinic in Rochester, Minnesota, on Tuesday only a week after a buoyant homecoming during which he told Jordanians he had been "completely cured." Doctors have said that, following chemotherapy and a bone-marrow transplant that left his body and immune system weakened, any relapse would be difficult to treat.

Across the Middle East, leaders expressed concern about the fate of a man who modernized his desert country and risked his popularity to forge a peace

treaty with Israel. Yasser Arafat, the Palestinian leader, said, "I hope that his majesty will return stronger and safer so that we can coordinate together as we used to do."

The sentiment was echoed by Prime Minister Benjamin Netanyahu of Israel. "I think it wouldn't be an exaggeration to say that our prayers accompany him at this moment," he said.

During a trip to Cairo, Secretary of State Madeleine Albright said King Hussein had done a "magnificent job." Referring to the king's unexpected decision Monday to oust his brother Hassan as crown prince and elevate his son, Mrs. Albright pledged U.S. support for the strategically important kingdom.

"We will stand by Jordan and hope that this transition is one that does not create problems," said Mrs. Albright, who hastily added Jordan to her Middle East itinerary to meet with the new heir. She will visit Amman on Thursday.

But even as Jordanians worried about their long-serving monarch, they also began turning their attention to Prince Abdullah who, after a bitter split in the royal family, was named crown prince only Monday. Papers printed full-page pictures of the country's "cub from the

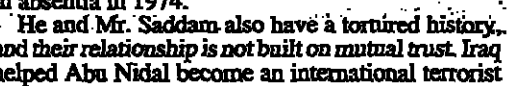
See JORDAN, Page 4

| The Dollar | | | |
|--------------------------------|--------------------|----------------|--|
| New York | Wednesday @ 4 P.M. | previous close | |
| Euro | 1.1438 | 1.1563 | |
| Pound | 1.646 | 1.6598 | |
| Yen | 115.775 | 115.83 | |
| DM | 1.7099 | 1.6915 | |
| FF | 5.7349 | 5.6732 | |
| Dollars per pound and per euro | | | |
| The Dow | | | |
| Wednesday close | percent change | | |
| 124.35 | 9,200.23 | -1.33% | |
| S&P 500 | | | |
| 8.14 | 1,243.17 | -0.73% | |
| Nasdaq | | | |
| 25.24 | 2,407.17 | -1.08% | |

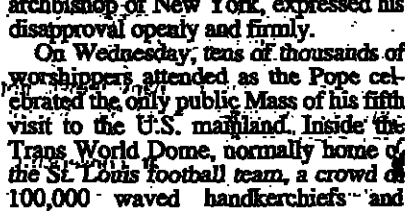
| Newstand Prices | | | |
|-----------------|----------|----------------|--------------|
| Bahrain | 1,000 BD | Mails | 55 c |
| Cyprus | C 2.100 | Nigeria | 12800 Naira |
| Denmark | 17 DKR | Croatia | 1,250 CR |
| Finland | 12.00 FM | Czech | 10.00 CR |
| Gibraltar | 5.00 G | Rep. Ireland | IR 1.10 |
| Great Britain | UK 1.00 | Saudi Arabia | 10 SR |
| Egypt | 25.50 E | S. Africa | R16 incl VAT |
| Jordan | 1,250 JD | U.A.E. | 10.00 Dh |
| Korea | K 54.180 | U.S. Mail (5c) | \$ 1.20 |
| Kuwait | 700 Fils | Zimbabwe | 2m \$40.00 |



Master Terrorist Is Believed to Be in Iraq



The Vatican has often expressed its opposition to some areas of U.S. policy, including abortion, land mines, the death penalty and the bombing of Iraq. The Pope's prepared text had references to those issues, but he skipped over them in his speech. Vatican officials said that even in private the Pope was unlikely to



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THE AMERICAS

A Brief and Puzzling List of Witnesses

Apart From Lewinsky, 2 Others Seem to Offer Little to Senate

By Ruth Marcus
Washington Post Service

WASHINGTON — The House prosecution team has proposed a puzzling list of witnesses for the impeachment trial of President Bill Clinton.

The list omits one key player who could testify about two of the obstruction of justice charges against President Clinton: his secretary, Betty Currie. And it includes another, the White House aide Sidney Blumenthal, whose

account is likely to be of marginal.

At the same time, the managers asked to call Monica Lewinsky, but — for fear of spooking the Senate — they promised not to ask her anything about one of the central perjury allegations.

This is the "discrepancy," as White House lawyers delicately call it, between Ms. Lewinsky and the president as to the details of their sexual activity. Instead of seeking an appearance by Mrs. Currie, who could give compelling testimony about the two occasions on

which she says Mr. Clinton bombarded her with a series of false statements concerning his involvement with Ms. Lewinsky, the managers took the risk of asking for Vernon Jordan Jr.

The Washington superlawyer's testimony would "indubitably," as he is wont to say, be relevant to those determining whether efforts to arrange a job for Ms. Lewinsky were linked to her filing of a false affidavit in the Paula Jones lawsuit. But the notion that the managers might be able to dislodge Mr. Jordan from his assertion the two were unconnected is far-fetched at best.

To be sure, the managers confronted pressure from Senate Republicans for a short witness list, and not to generate a long and messy trial.

"We were put in a procedural box," said Representative James Rogan, Republican of California. "We didn't want to run the risk of putting the three most controversial witnesses on the list and run the risk of getting none of them."

The managers also faced the difficult fact that all but one of the main witnesses work for Mr. Clinton or are on his team, and that the other, Ms. Lewinsky, is clearly in no rush to help out those who want to oust him from office.

They also weighed tough trade-offs in deciding whom to cut. For example, Mrs. Currie's account of how she came to retrieve subpoenaed gifts from Ms. Lewinsky — she supports Mr. Clinton in saying that he did not ask her to get the gifts and recalls that it was Ms. Lewinsky who initiated the pickup — hurt their case.

But her testimony about the president's series of false statements to her after the Paula Jones deposition is helpful to prosecutors.

And while a Currie defense of Mr. Clinton in the Senate trial clearly could be attacked as the supportive statements of a loyal secretary, hammering a sympathetic African-American woman in the well of the Senate might not be the wisest political or legal strategy.

Mr. Blumenthal represents a trade-off of a different sort. His testimony about Mr. Clinton's statements after the Lewinsky story broke — that she was a "talker" who "came at me and made a sexual demand on me" — portrays the president in a highly unflattering light.

Senate Democrats seized Tuesday on the choice of Mr. Blumenthal over Mrs. Currie as an admission of weakness by the managers.

Of the proposed witnesses, the managers described Ms. Lewinsky, in Representative Bryant's words, as "probably the most relevant witness — that is, aside from the president himself."

Although, as the White House likes to point out, Ms. Lewinsky has been questioned at least 22 times (23 including her January session with the House managers), there would seem to be ample areas for productive questioning.

Ms. Lewinsky could address a new piece of evidence in the case, a cellular record showing a call from Mrs. Currie at 3:32 P.M. on Dec. 28, the day Mrs. Currie picked up from Ms. Lewinsky gifts she got from the president. Ms. Lewinsky says the call came at 2 P.M.

Mr. Jordan — who was not reinterviewed by prosecutors after they obtained Ms. Lewinsky's cooperation — could be asked about his conflicting accounts of why he got her a job, sometimes saying it was a favor to Mrs. Currie, sometimes saying the president had asked him to.

Seeking Middle Ground

Senate Republicans Struggle to Reconcile Their Conflicting Interests in Clinton Trial

By Alison Mitchell
New York Times Service

WASHINGTON — Senate Republican leaders have taken a gamble that they can open the door to witnesses and still bring the trial of President Bill Clinton to a relatively quick, dignified and civil conclusion.

For weeks, Trent Lott, the Senate majority leader, and his deputies have struggled to find a footing in the midst of powerful political crosscurrents: The general public overwhelmingly wants the impeachment drive to end, but the party's conservative base demands that it move forward.

On Wednesday, the Senate voted along party lines to take closed-door depositions from three witnesses. It also rejected a Democratic motion to dismiss the charges of perjury and obstruction of justice.

Senate Republicans had wondered just what loyalty they owed to their colleagues in the House, who pulled them over the cliff once before during the government shutdown of 1995-1996. They also wonder what kind of precedents they are creating for history.

With all these conflicting impulses in mind, Mr. Lott has now created a middle ground for his party: to approve just three witnesses, to sharply limit the questioning time to just hours apiece and to arrive at an end to the trial by mid-February.

"We are just trying to have a fair process here," the Mississippi Republican said this week, "but one that gets us to a conclusion, as soon as possible, without rushing to judgment."

Mr. Lott has been navigating his way through a caucuses of many views, not always following predictable ideological predilections.

Republicans said that conservative senators like Don Nickles of Oklahoma, the majority whip, or others who are former House members, like James Inhofe of Oklahoma, Wayne Allard of Colorado and Rick Santorum of Pennsylvania, had pushed to support the House with a full trial and as many witnesses as the prosecutors wanted.

But moderate senators like Susan Collins of Maine and John Chafee of Rhode Island had also argued for witnesses.

Senator Richard Shelby of Alabama, a usual ally of Mr. Lott's, was one of the Republicans most skeptical about witnesses. And Senator Richard Lugar of

Indiana, usually a centrist, had been mostly quiet in caucus. Republicans say, but sounded fierce Tuesday when he blamed the White House for any partisanship developing in the Senate.

"The White House has stonewalled almost every opportunity to inquire about the president's activities," he said.

To hold this group together and win a majority for witnesses, Mr. Lott steadily reined in the House prosecutors. They once wanted to call 15 witnesses instead of the three for whom they ultimately settled.

He thus has played almost the opposite role as the leadership in the House. There Representative Tom DeLay, the majority whip, aggressively pushed impeachment forward, by cleverly pushing moderates to vote for impeachment, by not allowing them an easy out through a censure alternative.

But Mr. Lott's efforts seemed to have turned the tide on witnesses.

The vote should satisfy those Republicans who believe it would set a dangerous constitutional precedent to cut off the impeachment trial and still try to decide whether Mr. Clinton did obstruct justice and commit perjury. It keeps the party's conservative base from charging that the Senate just dismissed the case. It keeps working relations between the House and Senate majorities. And if everything goes according to plan, the trial will end by mid-February.

But before the two parties began negotiating Tuesday night, Senator Tom Daschle, the minority leader, and the White House warned in increasingly strident tones that once depositions were allowed, the trial would inevitably spiral out of control. "Our colleagues need to clearly understand that if it's a choice between expedient and fair," Mr. Daschle said, "Democrats are going to fall on the side of fairness."

And David Kendall, Mr. Clinton's private lawyer, warned the Senate of a long legal process ahead "if the genie of discovery is let out of the bottle."

There are several ways this trial could yet be extended. As the rules now stand, the Senate can take individual votes after depositions on whether it wants to call Monica Lewinsky or any other witness to testify in the chamber.

The Republicans are hoping that the White House's threat of a prolonged trial are empty. "They'd be nuts to carry this thing on," said Senator Orrin Hatch, Republican of Utah. "That was a big bluff."

POLITICAL

Aid to Canada? See Back Burner Capitol Motives for Party Amity

WASHINGTON — Foreign aid to Canada? That's what it looked like to some folks in the Senate when they spotted an Agency for International Development proposal for \$200,000 to train people at the Pearson Peacekeeping Center in Nova Scotia.

AID says the money is "to design a training curriculum to integrate women's human rights into peacekeeping initiatives." "The problem," an agency spokesman said, "is that in postwar or postconflict situations, it is most often women and children who go without food, water, medicine and shelter." The "gender and peacekeeping" initiative was approved last March by Secretary of State Madeleine Albright.

Paying Canadians to do gender sensitivity training? Jesse Helms, Republican of North Carolina and the Senate Foreign Relations Committee chairman, promptly put a hold on the grant.

WASHINGTON — In pressing for witnesses, Republican senators often cited the constitution or disapproval of President Bill Clinton. But there is a more political explanation: Senators may see the move in their own best interest. Republican strategists said there was growing recognition that the more united their party was on impeachment, the better positioned it would be for its legislative agenda. (NYT)

Quote/Unquote

Pope John Paul II, speaking against capital punishment on his visit to St. Louis: "The dignity of human life must never be taken away, even in the case of someone who has done great evil. Modern society has the means of protecting itself without definitively denying criminals the chance to reform." (AP)



A rescue worker coming to the aid of Jayson, 12, during his rescue on Wednesday after having been trapped in rubble for more than 38 hours. The earthquake, which measured 6.3 on the Richter scale, shook the area in and around the city of Armenia, in western Colombia's central coffee-growing region, on Monday.

Colombia Quake Toll Reaches 700

Rescue Team, Working in Heavy Rain, Fears 2,000 May Have Died

Compiled by Our Staff From Dispatches

ARMENIA, Colombia — This city of 300,000 people in the coffee-growing region of western Colombia was a study in chaos and destruction Wednesday after the most devastating earthquake to hit this nation in more than a century.

Rescue workers — struggling against shortages of everything from searchlights to coffins — confirmed Wednesday that 700 people were killed in the earthquake Monday, and local officials said the toll would probably reach 1,000 once the mounds of wreckage were removed. Relief workers estimated that the body count eventually could exceed 2,000 and that thousands more were injured. The tremors shook the region for just 18 seconds.

After a night of heavy rains slowed the search for victims and worsened the suffering of survivors, relief efforts resumed under gray skies Wednesday amid reports of coffin shortages and looting.

Rudimentary equipment such as searchlights — to find people trapped in the ruins of thousands of buildings — was in short supply. "We have a big problem," said a senior provincial government official who did not wish to be named. "Everything is bureaucracy. We are in meetings while thousands of people are dying under the rubble."

Hungry residents of this devastated

city broke down the gates of a downtown supermarket and stole rice, cooking oil, flour and rum.

Debris began falling from the upper reaches of the damaged four-story building that housed the store, sending the panicked looters into the street.

A similar scene occurred at a grocery store a block away. At least three people were found alive under the rubble Wednesday, including 65-year-old Jorge Lleser Gomez, who told reporters after his rescue, "I thank God because I am alive, and that my family is all right."

The paired voices of two children were heard under the debris late Tuesday, but by this morning rescue teams had failed to dig them out.

"Unfortunately, the voices went quiet during the night, but we are still searching, with the hope of rescuing them alive," said Cesar Augusto Giraldito, a Civil Defense rescue worker.

The government, meanwhile, denounced profiteering in caskets and pledged coffins to any families that needed them.

"We don't have enough coffins to bury the dead," said Henry Gomez, governor of the state of Quindio. Relief workers wrapped bodies in black plastic or blankets and left them on the streets.

Captain Ciro Antonio Guiza, Armenia's deputy fire chief, said rescue workers here were so overwhelmed that many bodies remained on the streets uncollected.

President Andres Pastrana, who postponed a planned visit to Munich to meet with representatives of the World Bank, declared western Colombia a disaster area after surveying the area and in a televised address promised more than \$12 million in financial relief to those who had lost their homes.

In the capital, Bogotá, government officials launched an international appeal for aid, and teams of rescue workers trained in earthquake relief traveled to Colombia from Japan, the United States and other countries. Mexico promised to send gas-powered generators and specially trained dogs to search for survivors amid the rubble.

The quake, which registered 6.3 on the Richter scale, was powerful enough to shake buildings in Bogotá, about 140 miles (220 kilometers) from the epicenter.

In Armenia, 80 percent of the dwellings were thought to be uninhabitable, local officials said. There is no running water or electricity throughout most of the city and shortages of food, drinking water, medicine and clothing are widespread. (WP, AP, Reuters)

AMERICAN TOPICS

In Racially Charged City of Washington, A Case of Guilt by Phonetic Association

The new Washington mayor has accepted the resignation of a staff lawyer because of complaints that he used a racial epithet. But even as he stepped down, David Howard, who is white, said that the word he used — "niggardly" — has no racial connotation.

Mr. Howard "didn't say anything that was in itself racist," Mayor Anthony Williams said, while adding, "Good judgment is required in executive positions."

Mr. Howard said that he had used the word in referring to a fund he administers. He said it means "miserly." Webster's dictionary concurs, noting that the word is of Scandinavian origin, unlike the similar-sounding racial epithet, a word that comes from the Spanish or Portuguese for black.

After using the word in a meeting of the mayor's staff, Mr. Howard said he realized some of those present were offended, and he apologized. But he said that he later received many angry phone calls from people who thought he had made a racist remark.

The mayor, who is black, was the subject of a recent opinion article in The Washington Post by a local man who asked whether Mayor Williams was "too white" to govern.

a predominantly black city. The mayor has also been criticized for cutting city jobs, a majority of them held by blacks. He said the issue reflected a "hurt" and "great divide" within the city and that race relations urgently required mending.

Short Takes

Federal officials are considering a proposal to raise the temperature of a stretch of the Colorado River to help a fish endangered by cold water releases from a dam near the Arizona-Utah state line. The humpback chub has been endangered since 1967, four years after Glen Canyon Dam was built.

The U.S. Bureau of Reclamation has proposed a \$15 million modification that would draw warmer water from the top of the lake created by the dam. Environmentalists say they favor the plan, if it is closely monitored.

The modifications would be comparable to those installed at the Flaming Gorge Dam in Utah in 1978, a change that led to a rise in the fish population.

Life in the '90s Dept.: The scene was on Mercer Street in New York City, where bargain-hunters had formed a long line on the sidewalk waiting to get into a department store holding a going-out-of-business sale. Many of the shoppers were talking on cellular phones, recounts The New York Times, when a young deliveryman rode up on a wobbly bike. "Who ordered Chinese?" he asked. A woman signaled him and paid the bill, then began her outdoor lunch.

Brian Knowlton

Away From Politics

Americans worry too much about potential dangers in their lives, especially the chances of developing a deadly disease or being seriously hurt in a car crash, according to a Harris poll released Wednesday. (Reuters)

About 400,000 poor children with elevated lead levels in their blood were not screened under Medicaid and other federal health programs despite federal law that requires such testing, congressional auditors have estimated. (AP)

Coast Guard investigators in South Carolina have recommended that all mayday calls be considered legitimate until thoroughly checked. The recommendation follows a sinking of a sailboat in 1997 that claimed four lives. A radio distress call from the stricken vessel did not prompt a Coast Guard search. (AP)

CROSSWORD

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Solution to Puzzle of Jan. 27

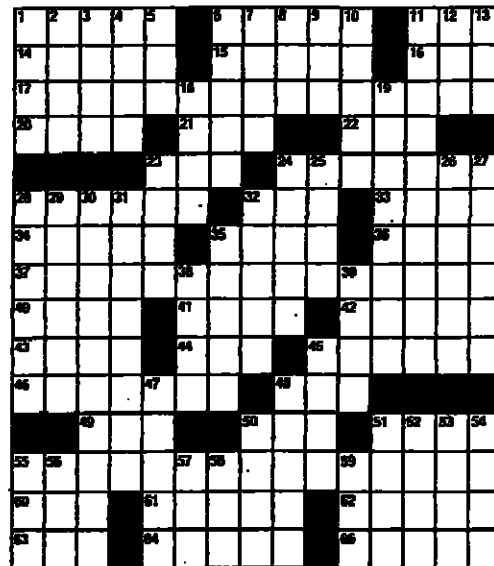
ACROSS
1. Overwhelm
6. Prince in "The Arabian Nights" story
11. Word of indecision
14. Mischief-maker
15. String quartet member
16. Popular cable channel
17. Start trouble
20. Probation
21. Best-selling over-the-counter
22. Actor Wheaton
24. Challenging potato chip quantity

DOWN

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- 3 A welcome sight?
- 4 Absentee flavor
- 5 #1 spot
- 8 Iniquity locale
- 9 Unappealing format
- 10 Examination
- 12 On
- 13 A bit dark
- 18 Driver's license
- 19 Dab
- 23 Sauce source
- 25 Gentle touch
- 26 Straw hat
- 28 — do me

DOWN

- 1 Lady Macbeth's problem
- 2 Piece of absorbent material
- 3 Let's go
- 4 Money-making venture
- 5 Royal insomnia
- 6 Cause
- 7 Suggestion
- 8 Low
- 9 Little one
- 10 Cockle's Veep
- 11 One who's left hanging
- 12 Taxes



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ASIA/PACIFIC

Indonesia Army to Cut Presence in Parliament

JAKARTA — Indonesia's military will halve the number of seats it holds in Parliament but keep a strong political role, legislative leaders agreed Wednesday in a move that could anger students demanding broad democratic change.

Crafting rules for June 7 national elections, the chiefs of Parliament's four factions decided to cut the number of appointed seats for the military to 38 from 75. Parliament has 500 members.

But government critics have said all legislators should be elected to ensure a full transition to democracy.

Opposition politicians had wanted to reduce the number of appointed military seats to 15 with the aim of eventually banishing the armed forces from the legislature altogether.

Many Indonesians resent the military, which is trying to revamp its tarnished image as a human rights violator and is struggling to contain a wave of riots that has hit Indonesia in the past year.

Under the deal expected to be passed by Parliament on Thursday, the military will also get 10 percent of seats in provincial legislatures and some local councils, said Abu Hasan Sazili, chairman of the parliamentary committee for political bills.

General Wiranto, the military chief, said the armed forces would remain neutral during the election. Under Indonesian law, members of the military are prohibited from voting.

Student activists who helped oust President Suharto persisted with their protests last year, demanding a trial of the former president on corruption charges and that the military be banned from politics.

After taking a break during the Islamic holy month of Ramadan, students have pledged to resume demonstrations. About 100 campus protesters rallied Wednesday against the military's role in politics but soldiers blocked them from approaching Parliament.

In another development, President B.J. Habibie has ordered Indonesia's 4.1 million government workers to get out of politics before the parliamentary election. The move could be a major blow to the ruling Golkar party.

Hartono, the state administrative reform minister, said Wednesday that Mr. Habibie had signed a presidential decree banning state employees from being members or executives of political parties. Under Mr. Suharto's rule, civil servants were obliged to vote for his Golkar party, which dominated the tightly controlled political system and propped up his rule for three decades.

Christian Group to Visit

The World Council of Churches, concerned by an upsurge in violence against Christians, said Wednesday that a delegation would visit Indonesia this week, Reuters reported from Geneva.

The council, a grouping of more than 300 Christian churches from more than 100 countries, said a 10-member team would visit Indonesia beginning Thursday and hoped to meet Mr. Habibie.

Christians, who make up around nine percent of the population of Muslim-dominated Indonesia, have been plagued by arson attacks on churches.



Riot police officers gathering outside the Parliament building in Jakarta on Wednesday as students protested.

Singapore Activist Retests Speech Law

By Michael Richardson
International Herald Tribune

SINGAPORE — A Singapore opposition activist campaigning for free speech said Wednesday that if he is fined for breaking public speaking laws in a trial next week, he will refuse to pay and be prepared to go to prison instead.

Chee Soon Juan, leader of the small Singapore Democratic Party, also said that the next step in his campaign would be to speak in one of the public housing complexes where more than 80 percent of the island state's 3.1 million population lives.

He was twice charged this month with an offense under the Public Entertainment Act for giving unauthorized speeches to lunchtime crowds in Singapore's business district. He faces separate trials on Feb. 1 and 9.

Each offense carries a maximum fine of 5,000 Singapore dollars (nearly \$3,000). A fine of more than 2,000 dollars would bar him from running for Parliament for five years under Singapore law.

Speaking to the Foreign Correspondents' Association on Wednesday, Mr. Chee said that he would refuse to pay any fines imposed by the courts for such offenses because it would "legitimize an unjust law."

He said that if he refused to pay, he expected the judge to impose a prison sentence.



Chee Soon Juan telling correspondents Wednesday that he will refuse to pay a fine if one is imposed.

Having to get a police permit before giving a public talk violated the right to free speech under Singapore's constitution, Mr. Chee said. "To pay the fine would be tantamount to admitting that I've done something wrong," he said.

Mr. Chee has written to the president of Singapore, Ong Teng Cheong, asking him to convene the Constitutional Court to review his case.

But the minister of state for law and home affairs, Ho Peng Kee, said recently that Mr. Chee was defying the law, and that the rule at issue was "a procedural requirement" that did not affect the substantive right of free speech.

Mr. Chee, whose party failed to win any seats in the latest general elections, in 1997, said that the curbs on civic liberties and state control of key media stifled public debate.

He said that such regulations were designed to make it hard for the opposition to be heard and win seats in Parliament. The governing People's Action Party, which has controlled Singapore since 1959, holds 81 of the 83 elected seats.

Mr. Chee said that he and Joshua Jeyaretnam, the head of the opposition Workers Party, had written to the United Nations recently to ask it to "put pressure on this government to conform to international norms of free and fair elections."

Mr. Chee's public-speaking tactic has split opinion among opposition leaders and academics, some of whom fear that his high-profile challenges to the law could hurt the opposition's cause.

"I don't think it will give the opposition a good name," Chiam See Tong, one of the two elected opposition members of Parliament, told Reuters over the weekend.

But Mr. Chee said that the system of political control in Singapore was so "choking" that it left him with no alternative but to break the law if wanted to uphold the right of free speech guaranteed by the constitution.

BRIEFLY

Does Macedonia Recognize Taipei?

SKOPJE, Macedonia — Hours after the Macedonian foreign minister established diplomatic ties with Taiwan on Wednesday, the Macedonian president called the move "a surprise" and said he would not recognize it.

In a statement issued by his office, President Kiro Gligorov said Macedonia still considered the government of China "the only legitimate representative of the Chinese people" and that "Taiwan represents an inseparable part of China."

But it was not clear whether Mr. Gligorov, a former Communist, had the authority to block recognition of Taiwan if the new center-right government has approved it. Prime Minister Ljubco Georgievski's government did not announce its intention to recognize Taiwan beforehand, and a spokesman was not immediately available to comment in Skopje. (AP)

Hong Kong Aide Gets Airport Blame

HONG KONG — A top government figure who escaped blame in an official report last week on the disastrous opening of Hong Kong's new airport came under fire Wednesday when legislators released results of their own separate investigation.

The territory's ranking civil servant, Chief Secretary Anson Chan, was accused of contributing to the humiliating mess by not delaying the opening date. Ms. Chan was in charge of the government's Airport Development Steering Committee, which oversaw the project.

Ms. Chan called a news conference and made a fresh apology over the debacle. But she said she was "somewhat puzzled" that the report held her personally responsible. (AP)

Chinese Official Sentenced to Death

BEIJING — A Chinese court on Wednesday ordered a local official, Li Chenglong, put to death for taking bribes worth \$480,000 and accumulating wealth from unknown sources in one of China's most flagrant examples of corruption. (AP)

Right-Ivan Behind

Questions for Plan

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TRADE: U.S. Revives Policy Weapon

Continued from Page 1

Japanese rivals, whom they accuse of dumping their output on the U.S. market at prices below the cost of production.

Meanwhile, the United States continues to battle the EU over its banana import policy, maintaining that Europe illegally favors bananas from its former colonies in the Caribbean over produce from Latin American countries that is marketed by U.S. companies.

The EU insists that it will seek a ruling challenging Super 301 before the World Trade Organization if the United States goes ahead with its threat to impose sanctions in the row over bananas.

Both the EU and Japan believe that the whole body of U.S. Section 301 trade legislation, of which Super 301 is only one part, is incompatible with Washington's commitments as a member of the WTO.

A WTO ruling against such an important piece of American legislation would be politically explosive in Washington and could jeopardize U.S. support for the Geneva-based organization.

Trade analysts are already warning that protectionist sentiment in the United States is increasing as cheap imports from crisis-hit countries in Asia have begun to push up the country's deficit.

The deficit was running at an annual rate of \$168 billion last year and is expected to increase by another \$50 billion to \$60 billion this year.

Treasury Secretary Robert Rubin told the Senate Finance Committee that U.S. efforts to close its giant market could hurt recovery efforts in troubled economies overseas and set a dangerous precedent.

"If the United States, with its healthy economy, is seen as moving toward restricting markets, that could well reinforce the newly vibrant forces of protectionism in many countries around the world," he said, "and that is enormously against our economic interest."

His comments drew a rebuke from Senator Jay Rockefeller, a West Virginia Democrat, who said he was afraid Mr. Rubin "has a grip over the president's mind when it comes to trade matters" that is preventing the administration from



Prime Minister Keizo Obuchi of Japan reacting to questions by opposition members of Parliament in Tokyo on Wednesday.

moving forcefully to protect the U.S. steel industry.

Mr. Rockefeller said that industry could be forced to lay off 80,000 workers later this year if a flood of cheap steel imports was not curbed. (AP, AFP)

TIMOR: Freedom Called a Possibility

Continued from Page 1

Ali Alatas and Information Minister Yunus Yosfiah — said Wednesday that if Jakarta's offer of autonomy for East Timor were rejected, the government would propose that Indonesia's highest legislative body, the People's Consultative Assembly, should consider granting independence to the territory after the June 7 national election.

"If the Indonesian proposal to give special status to East Timor is rejected, the cabinet will suggest to the next MPR to consider letting go of East Timor," Mr. Alatas said, Reuters reported from Jakarta. The assembly, which chooses Indonesia's president, is known by its Indonesian language initials as the MPR.

Welcoming Jakarta's concessions, President Jorge Sampaio of Portugal said they could advance prospects for a settlement in East Timor, where thousands of terrified people were reported Wednesday to have fled their villages to escape violence between groups of pro- and anti-Indonesian Timorese.

But some East Timorese leaders cautioned that the Indonesian gov-

ernment might be making a conciliatory gesture to its international and domestic critics in the expectation that worsening conflict between rival political factions in East Timor would make the independence option untenable, leaving autonomy within Indonesia as the only solution.

Analysts said that significant elements of the Indonesian military were reluctant to go along with independence for East Timor, fearing it could encourage other regions of Indonesia where separatists are active, such as Aceh and Irian Jaya, to try and break away.

"I react with a lot of skepticism," Jose Ramos Horta, an East Timorese independence campaigner, told Portugal's TSF radio from Australia. He said he was afraid that Indonesia could later retract or amend its new proposal.

But Mr. Ramos Horta, who won the 1996 Nobel Peace Prize jointly with East Timor's Roman Catholic bishop, Carlos Belo, said that Jakarta's announcement confirmed a growing sentiment in Indonesia that it was no longer possible to keep a tight hold on the territory, where small bands of pro-independence guerrillas have been fighting Indonesian troops for years.

"This confirms what we have heard from many sources — that there is a prevalent point of view in Jakarta that Indonesia has lost the battle over East Timor," he said.

An estimated 200,000 East Timorese — about a quarter of the population — have died in fighting or of disease and starvation since the Indonesian military invaded.

Earlier this month, Australia, one of the few countries to recognize Indonesian rule in East Timor, said that Jakarta ought to consider allowing self-determination in the territory.

The head of Indonesia's National Mandate Party, Amien Rais, who is a leading contender for the presidential election in November after legislative elections in June, said in Singapore on Tuesday that he favored self-determination for East Timor. "To me a referendum in East Timor is the only solution," he said. "East Timor has become a thorn in our flesh."

But Mr. Rais cautioned that a referendum, which analysts say would have to take place under UN auspices to be internationally credible, could not be held quickly, otherwise the "situation could become worse, and maybe result in a civil war."

Indonesia's Human Rights Commission estimates that more than 50 people have died in scores of clashes in East Timor in the past six months between pro- and anti-Indonesian groups.

More than 2,700 refugees are camped out in the village of Suai, 90 kilometers (55 miles) southeast of the capital, Dili, after fleeing the latest bout of such violence, aid workers said Wednesday.

JORDAN: Crown Prince Is Sworn In as King Suffers a Relapse of His Cancer

Continued from Page 1

lion king." Though the king in an unusually blunt public letter had criticized his brother's leadership during the six months that he was at the Mayo Clinic, Prince Hassan appeared to have set that rebuke aside, and was among the first to hug and congratulate the new heir after a formal swearing-in ceremony Wednesday.

While the shift caused controversy here and was criticized by those who felt the more experienced Prince Hassan should have been left in charge, diplomats and local analysts also said that, as the king's eldest son and a respected army officer, Prince Abdullah will wield authority. He will turn 37 on Friday.

The loyalty and support of Jordanian tribal leaders will be automatic, they said, and the new heir can count on support from his extended Hashemite family, a clan whose unchallenged legitimacy here stems from its direct descent from the Muslim prophet Mohammed.

In addition, as a career soldier and head of the Jordanian Special Forces, the crown prince will have the support of another key pillar of this society: the military, an institution important to political stability but one with which Prince Hassan never had close ties.

He is a "tough soldier" who worked his way through the chain of command but remains popular

among the rank and file, said Fahad Faneek, a local columnist and political commentator.

Indeed, in choosing his eldest son, King Hussein not only reverts to a more traditional line of succession but also elevates a man cast more in the his own image.

Prince Hassan is considered to have the deeper intellect. But he is also thought to have less of a common touch than the king. Prince Abdullah likes fast cars — he won the Jordanian Rally Racing championship one year — and is head of the Jordanian soccer federation.

"He is a more of a physical guy," one diplomatic source said. "Likes to race cars. Hands-on."

Married with two children, a son and a daughter, Prince Abdullah is half-British. He is the son of Princess Mona al Hussein, whose maiden name was Toni Avril Gardiner. He was educated largely in England and the United States, including the Deerfield preparatory school in Massachusetts, and many here say he speaks English better than Arabic.

One diplomat said that despite his youth, Jordanian tribal, military and other leaders loyal to King Hussein would rally around Prince Abdullah, making any instability inside the country unlikely. They also would help guard against mistakes in his initial dealings with regional and international leaders.

What's more uncertain, and perhaps more important to Jordan in the long run, is his stand on issues like

economic reform and democratization.

Few Jordanians have ever known any other king, and most ordinary people here say they cannot imagine how anyone could fill the shoes of King Hussein.

Some people say they find it hard to understand his decision — carried out in the space of a week, with the apparent knowledge that he was ill to wrest the post from an experienced statesman and hand it to a 36-year-old career soldier who has never had a political role.

"We lost the only Hashemite with experience, knowledge, maturity, intelligence, connections, and seriousness," said a member of a prominent Jordanian family in reference to the ouster of Prince Hassan, 51. "And we replaced him with a zero as far as most people are concerned."

"Prince Abdullah might be a nice guy, but he has no experience, no education, no seriousness," he said. Like most people critical of the king's decision, he agreed to be quoted only on condition that his name not be used.

But he and others said they were speaking frankly because of real unease, a feeling that Prince Abdullah might not be well-suited to guiding Jordan in an unsettled region.

On his return last week from six months of cancer treatment in the United States, the king said that he was determined "to make people more confident and more comfortable" about their future after years

clouded by economic problems and troubles across the Israeli and Iraqi borders.

But what he set in motion in less than seven full days at home has only compounded insecurities.

The steps included the removal of Prince Hassan, to whom the king had referred for years as "the apple of my eye," then the bitter letter that all but accused his brother of treachery, and finally his own sudden departure, explained by a doctor's bulletin that symptoms that could mean a recurrence of cancer had appeared.

"This has all been very strange, but we have to hope that somehow, all of this will lead to a change for the better," said Sami Khayyat, 27.

For some people, the king's success at steering Jordan through nearly five decades of turbulence in the Middle East has forged a faith that even if his actions are hard to understand, they may for the best.

As one woman, Jomana Nuqul, 35, a travel agent, put it: "In a phrase, I think the king knows what he is doing."

Mr. Faneek, the columnist, argued in the newspaper Al Rai on Tuesday that such sentiments meant any discontent over Prince Hassan's ouster would fade away. "Nobody can cast any doubt on Prince Hassan, his ability and his experience during 34 years in office," Mr. Faneek wrote. But, he added, "popular trust in King Hussein is considerable, and the Jordanian people happily accept any decision he takes."

EUROPE

Albright-Ivanov Talks: Chill Behind the Smiles

By Thomas W. Lippman
Washington Post Service

MOSCOW — It was icy and pitch dark Wednesday morning when Secretary of State Madeleine Albright left Russia, ending her two-day visit, and it was tempting to see the weather as a metaphor for U.S.-Russian relations at the conclusion of her talks.

Yeltsin Questions Primakov Plan

The Associated Press

MOSCOW — President Boris Yeltsin might welcome a proposal by Prime Minister Yevgeni Primakov to stabilize Russia's tense political situation but not if he has to relinquish some of his broad authority, the president's spokesman said Wednesday.

Under the proposal, advanced Tuesday by Mr. Primakov in a letter to members of Parliament, the legislators would drop an impeachment motion against Mr. Yeltsin on a variety of charges and offer him immunity from prosecution after leaving office next year.

The spokesman, Dmitri Yakushkin, said Mr. Yeltsin saw benefit in Mr. Primakov's initiative to ease tensions gripping the country.

President Yeltsin "would not mind" if the lawmakers halted the impeachment proceedings and offered him immunity, Mr. Yakushkin said.

Prime Minister Primakov suggested that, as part of a deal, the president promise not to use his power to dissolve the Duma, the lower house of Parliament, or to shake up the cabinet for the rest of this year.

Mr. Yeltsin, who has been in a hospital 10 days for treatment of an ulcer, met Wednesday with Mr. Primakov to discuss the sensitive political situation and other issues.

Mr. Yakushkin tried to play down the rift, the first public discord between the president and the prime minister since Mr. Primakov took office in the fall.

"The president and prime minister are working in close contact, they highly respect each other's stance," the spokesman said. He declined to say whether Mr. Yeltsin would order Mr. Primakov to revise or withdraw his stability initiative.

able and expressed determination to cooperate wherever possible.

Foreign Minister Igor Ivanov said Mr. Albright's visit "has allowed us to synchronize our watches." Mrs. Albright said that while

"lots of people are looking for confrontation," she is "very satisfied that we are on a good road."

But the visit exposed more areas of difference than agreement. It dramatized a gap that has opened since last summer between a prosperous, confident United States and an impoverished Russia gripped by political paralysis and chafing under perceived American tutelage.

In the words of a member of the Russian Parliament, Alexei Arbatov: "Besides domestic instability and decline, Russia feels vulnerable in the south, threatened in the west, potentially endangered in the east and progressively inferior at the global strategic level."

By contrast, he added, "The West is domestically robust, invulnerable and superior vis-à-vis Russia."

For all the smiling declarations of mutual regard by Mrs. Albright and Mr. Ivanov, this was not a dialogue of equals.

Within the Clinton administration, little remains of the optimism about Russia that guided policy-making several years ago after President Boris Yeltsin's re-election, when President Bill Clinton and his advisers thought Russia was about to take a place in the club of industrialized democracies.

Now senior officials describe the relationship as one of "damage control" or "muddling through" until Russia's presidential election next year, which could end the country's political paralysis.

In the meantime, the areas of disagreement are proliferating.

According to senior members of Mrs. Albright's entourage, the messages she delivered to the Russians included these:

- Your budget is unrealistic and your revenue projections are phony. Until you get real, it will be hard for us and for the International Monetary Fund to help you.

- The positions you have taken in negotiations on revising the Treaty on Conventional Forces in Europe, a key stone of future relations between Russia and NATO, are unacceptable.

- Unless you stop selling missile technology to Iran, we will cut off your authority to launch high-orbit U.S. com-



RECALLING LENINGRAD, TOO — A World War II veteran laying flowers Wednesday in St. Petersburg to mark the 55th anniversary of the end of the 900-day Nazi blockade. Another vet raised a glass.

Germans Pay Tribute to Gay Holocaust Victims

The Associated Press

BONN — Germans marked their fourth annual Holocaust memorial day Wednesday with ceremonies at former concentration camps and warnings not to let the memory of Nazi atrocities die.

For the first time, the events commemorated an estimated 10,000 gay victims of the Nazi regime with a ceremony at the Sachsenhausen camp at Oranienburg outside Berlin.

But the memorial day also illustrated the nation's growing uncertainty about how new generations of Germans should remember the Holocaust.

President Roman Herzog, speaking in Parliament, said recent renewed debate in Germany about the Nazi past showed "that we have not yet found

this lasting form of memory."

He said Germany finally must build a national Holocaust memorial, a project that politicians and intellectuals have debated for a decade. "We Germans must build this memorial for our own sake," he said. "Nazism is our common, terrible heritage."

Chancellor Gerhard Schröder has backed a design unveiled this month by the U.S. architect Peter Eisenman that calls for a memorial, library and Holocaust research center in central Berlin, near the Brandenburg Gate.

As government flags flew at half-staff, Mr. Schröder warned Germans to stay on guard against racism and intolerance and reminded them of their duty to preserve the memory of the Third Reich.

we're worried about.

Mrs. Albright and members of her team said they offered these criticisms in a spirit of goodwill, friend to friend.

"America wants to see Russia succeed and to work with Russia's government and people to build a strong partnership," Mrs. Albright said at a news conference with Mr. Ivanov.

At another meeting with intellectuals and religious freedom advocates, she said, "We want a Russia that is confident, and that will fulfill its potential as a global force for peace and justice and against crime and terror."

Asked if the time has come to return to a policy of "containment" of Russia, she

said: "I consider that ridiculous. The whole point here is to engage Russia."

The Russians, of course, have their own grievances with Washington, most notably over the air strikes against Iraq, which Russia resented as a crude U.S. maneuver to circumvent the UN Security Council, one of the few forums in which Russia retains leverage.

Mr. Ivanov, like Mrs. Albright, expressed determination not to let differences over specifics get in the way of an overall cooperation. He gave no ground on the key issue of the 1972 Anti-Ballistic Missile Treaty, which the United States is proposing to amend and Russia wants to preserve unchanged.

Mr. Herzog proclaimed the Day of Remembrance for Victims of Nazism in 1996. He chose Jan. 27 because it was the day in 1945 that Soviet troops liberated the Auschwitz death camp.

BRIEFLY

Russia Says Payments To Jews Are Unfair

MOSCOW — The Russian lower house of Parliament unanimously passed a resolution Wednesday charging that German compensation to Jewish victims of Nazi persecution was unfair and demanding assistance for other victims.

The resolution said German compensation to Jews was "unjust with regard to the representatives of other nationalities who fought and suffered equally during the Second World War."

The Duma plans to ask the German government to compensate all Russian victims of Nazi persecution. The resolution was unclear about how much Russia would ask for and who would get the money. (AP)

Polish Farmers Lift Some Roadblocks

WARSAW — Polish farmers demanding higher prices lifted some roadblocks Wednesday but warned that they may step up the protest again.

Police said about 2,500 farmers continued to block roads in 70 spots, down from 130. Andrzej Lepper, leader of the radical union Self-Defense, which organized the protest, said it would peak Wednesday.

The government has declared the blockades illegal and threatened to use police to disperse the protesters, who have been hindering road traffic since Monday. The farmers are demanding a ban on agricultural imports, which they say lower prices. (AP)

Chretien Favors Study Of First-Use Policy

BONN — Prime Minister Jean Chretien of Canada said after meeting Chancellor Gerhard Schröder that he favored an open discussion on whether NATO should alter its policy on the use of nuclear weapons.

Germany raised a storm in NATO last year when its new center-left government suggested NATO should promise not to be the first to use nuclear weapons in a conflict. The United States and other NATO allies firmly rejected the proposal.

"The NATO partners should take another serious look at that document and then reach a decision," Mr. Chretien said. "Right now this issue is creating problems, but I think that both Canada and Germany are ready to discuss it, while some other partners do not even want to address it." (Reuters)

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Iraq Pledges 'All Means' To Combat U.S. Flights

Agence France-Press

BAGHDAD — Iraq vowed Wednesday to use "all means" to combat an escalation in the U.S. air campaign as its Parliament called for uprisings in Kuwait and Saudi Arabia.

The 250 members of Parliament, meeting in special session, voted by a show of hands on a resolution calling on the Arab people who protested against U.S. and British strikes last month "to overthrow these regimes" in Kuwait and Riyadh.

"Hired regimes who have directly or indirectly assisted in the aggression should be considered part of an imperialist plot against the Arab nation," the resolution said.

In Cairo on Wednesday, Secretary of State Madeleine Albright expressed regret for the death of Iraqi civilians.

Iraq said 11 civilians were killed Monday when a U.S. missile crashed into a densely populated area near the southern city of Basra, reducing several homes to rubble, and the Pentagon has admitted that a stray U.S. missile with a 2,000-pound warhead exploded in a residential area.

"We regret the stray missile on Basra that killed several civilians," Mrs. Albright said.

"The use of force is not our preferred mechanism," she said, adding that the United States would continue to seek Iraqi compliance with UN Security Council resolutions that they stop developing weapons of mass destruction. After meeting in Cairo with President Hosni Mubarak of Egypt, Mrs. Albright flew to Riyadh.

U.S. fighter jets struck Iraqi positions for a fourth consecutive day on Tuesday as U.S. and British planes patrolled no-fly zones. But there were no reports of incidents Wednesday.

The Iraqi Parliament also called anew for Arab countries to lift the international embargo on Iraq "unilaterally and immediately" and to condemn the U.S. and British attacks and the no-fly zones they enforce.

Vice President Taha Yassin Ramadan proclaimed defiance.

"Iraq will use all means and all its capacities to face up to the U.S. and British planes, which are violating its airspace and sovereignty," he said on Iraqi television.

Referring to U.S. forces based in Saudi Arabia, he said Baghdad held the UN Security Council and pro-U.S. Arab leaders to blame for "damages inflicted by these aggressive actions."

President Saddam Hussein called Jan. 5 for other Arabs to overthrow their leaders, particularly in Saudi Arabia, which he said allows U.S. and British forces to use its air bases.

Sandy Berger, the U.S. national security adviser, disclosed that U.S. pilots had been operating under expanded rules of engagement since a four-day air campaign in December.

A Pentagon spokesman, Kenneth Bacon, said, "We are going after parts of the system that we think we can successfully attack and degrade. We are attacking the system quite broadly."

Meanwhile, French Minister Kamal Kharazi of Iran called on the United States to apologize for an Iraq-bound missile that landed in an Iranian border town.

"The United States should present its apologies and repair the damage incurred," he said.

Devil Gets His Due, but Catholic Church Updates Exorcism Rites

By John Tagliabue
New York Times Service

ROME — Reaffirming that the devil exists and is at work in the world, the Vatican has issued a revised rite of exorcism, the Roman Catholic ritual for driving out demons.

In an apparent effort to placate liberal Catholics embarrassed by a practice that seems to echo medieval superstition, the Vatican on Tuesday urged those performing exorcisms to take pains to distinguish between possessed people and those suffering from forms of mental or psychological illness.

Exorcism is an ancient practice of driving the devil from people believed to be possessed. It remains a source of theological debate, and in

recent years, despite its renewed popularity in the United States and elsewhere, the church has sought to play down its significance without shaking the foundations of belief in a personal source of evil in the world.

By revising the rite of exorcism, the Vatican was following a mandate of the Second Vatican Council, which met from 1962 to 1965. It also took the opportunity to urge priests and bishops to seek professional medical assistance in cases where the true nature of what seems to be diabolical possession is in doubt.

In a Latin text titled "De Exorcismis et Supplicationibus Quibusdam" — Of Exorcisms and Certain Supplications — the Vatican warned that exorcists "first of all, must not consider people to be vexed by demons who are suffering above all

from some psychic illness." It warned against treating as possessed "victims of imagination."

The 84-page Latin text, which Pope John Paul II approved before he left for his visit to North America, contains prayers and rites for driving out devils, but also for cleansing places and things of demonic influence.

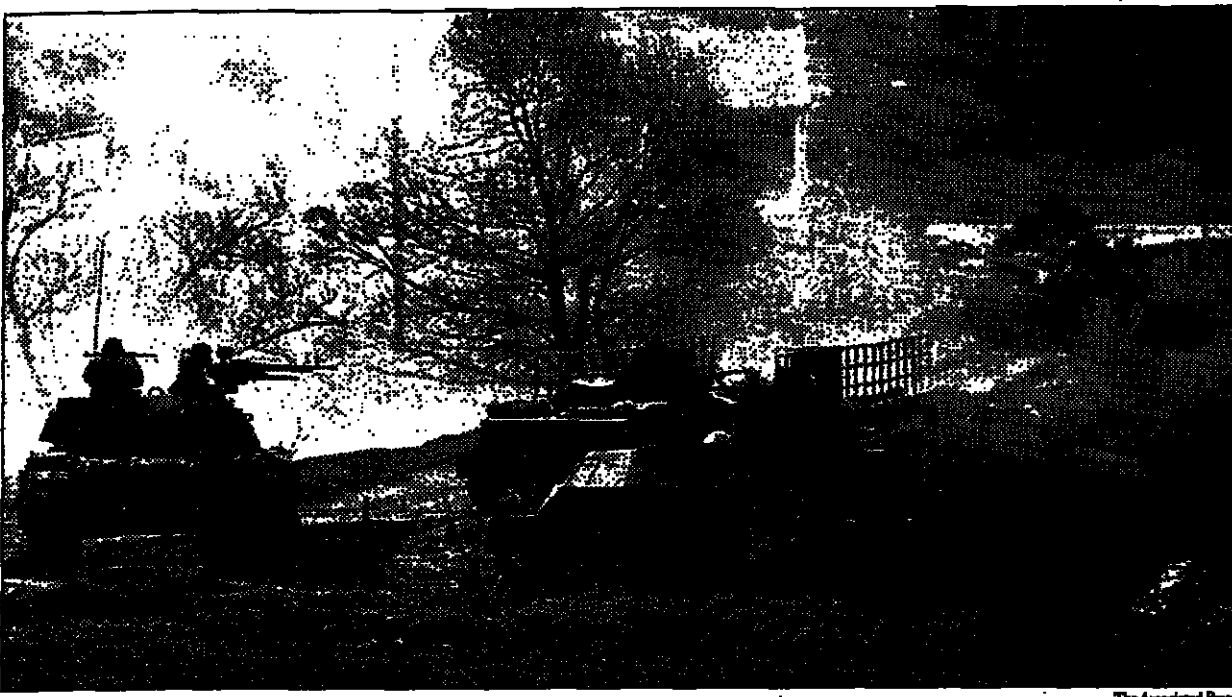
Cardinal Jorge Arturo Medina Estevez, head of the Vatican congregation responsible for religious rites, said genuine possession could be recognized by various criteria, including the use of unknown languages, extraordinary strength, and the disclosure of hidden occurrences or events. He also mentioned a "vehement aversion to God, the Blessed Virgin, the saints, the cross and sacred images."

By issuing the text, which replaces a 1614

version, the Vatican reaffirmed the existence of the devil.

Cardinal Medina Estevez acknowledged that many modern Catholics no longer believed in the devil, but he called this a "serious fault in religious education," adding that the existence of the devil "belongs to Catholic faith and doctrine."

Issuing the revised text could "provide some incentive for the appointment of more official exorcists," said Michael Cuneo, a Fordham University sociologist who is writing a book on exorcism in American culture. But he said that despite a "flourishing market for exorcisms," most Catholic bishops in the United States considered exorcism "to be antiquated, to be an embarrassment, to be a survival of medieval superstition."



Yugoslav tanks and armored vehicles engaging ethnic Albanians on Wednesday in the village of Donje Ljupce.

U.S. to Trim Troop Level in Bosnia to 6,200

By Bradley Graham
Washington Post Service

WASHINGTON — The size of the U.S. military contingent in Bosnia will shrink from 6,900 to 6,200 personnel over the next two months as part of a NATO decision to trim its 32,000-strong peacekeeping force by 10 percent.

Samuel Berger, national security adviser to President Bill Clinton, said Tuesday that the decision reflected a sense "that we are steadily making progress in Bosnia, that the military needs diminish."

The NATO-led Bosnia force was sent

to the former Yugoslav republic after the 1995 Dayton peace agreement that ended three and a half years of war.

The Clinton administration has continued to extend the U.S. military presence well beyond what initially had been intended as a one-year deployment. But it has also gradually reduced the size of the force from its original strength of about 20,000 troops.

With a growing possibility that U.S. forces may be called on within the year to join another NATO peacekeeping operation in the Balkans, this time in Kosovo, Pentagon officials are eager to reduce the commitment in Bosnia.

But continuing tensions between Bosnia's Serbian, Muslim and Croatian inhabitants have made alliance authorities cautious about shrinking the peacekeeping force too quickly.

Mr. Berger noted that while the military threat had diminished, "serious challenges" still faced civilian organizations working to establish a stable political system and rebuild Bosnia.

Pentagon officials said the drop in the U.S. troop level would be achieved mainly by closing Camp Bedford, about 60 kilometers (35 miles) from the headquarters of U.S. forces in Tuzla. This would leave four camps.

Yemeni Tribesmen Seize 8, Including 3 Germans

Compiled by Our Staff From Dispatches

SAN'A, Yemen — Yemeni tribesmen have kidnapped three Germans, government and tribal officials said Wednesday. Five Yemenis were abducted along with the Germans on Tuesday evening, the German Foreign Ministry said.

The hostages have been taken to Al Jawf in northern Yemen, where a British couple and a Dutch family of four who were kidnapped on Jan. 17 are being held, the tribal official said.

The kidnappers' demands were not immediately known.

A government official confirmed the kidnapping, but refused to provide details.

In Bonn, a Foreign Ministry spokesman, Martin Erdmann, said the hostages were a 30-year-old German aid worker, her Yemeni husband and their three children, the aid worker's brother and his wife, both German nationals, and the group's Yemeni driver.

The aid worker was employed by German Development Services, the German government aid program. Her brother and sister-in-law were visiting Yemen.

Sixteen Western tourists were abducted last month in Yemen by a fundamentalist group. Four of the captives were killed on Dec. 29 as Yemeni troops exchanged gunfire with the kidnappers during a rescue operation. The others were freed.

Yemen, meanwhile, on Wednesday charged five Britons and a man traveling on a French passport with plotting sabotage. The six have been held in Aden since Dec. 24.

Entering a courtroom under tight security in the southern city of Aden, the defendants shouted to journalists and family members that they had been tortured and prevented from speaking to lawyers. They pleaded not guilty.

The hearing was adjourned until Saturday. The judge asked the prosecutor to call witnesses and provide evidence when the trial resumes. (AP, Reuters)



Senators Fred Thompson, Don Nickles, the majority whip, and Jon Kyl leaving a Republican caucus on the trial Wednesday.

each party sitting in. The testimony would be videotaped.

Each deposition would last about six hours, with each side given an equal opportunity to pose questions. Tapes and transcripts of the interviews would be provided to senators on Monday, giving them a day to study the material before voting on Tuesday, whether to follow up with live testimony.

John Czwartacki, a Lott spokesman, said the proposed schedule would not allow time for defense witnesses for Mr. Clinton. An extension would be needed if the White House asked to call witnesses, as it has indicated it might, and the Senate agreed.

Senator Patrick Leahy, Democrat of Vermont, said he was concerned that Republicans were telling the president, "We want to have our witnesses but you don't need to have your witnesses."

There were other obstacles to the Republican plan. Mr. Blumenthal's attorneys were reported to be in the middle of a trial, expected to end next week, and said they would not have time to prepare him for deposition this weekend.

Mr. Jordan was out of the country and it was unclear when he would return. Ms. Lewinsky left Washington on Tuesday to return home to Los Angeles, although she could return at any time.

House managers said that if subpoenaed to appear, the three would have no choice but to do so.

CLINTON: Partisan Senate Vote Seems to Assure Acquittal

Continued from Page 1

call witnesses. "If they vote to call witnesses," Joe Lockhart, the White House spokesman, said earlier Wednesday, "they are voting in effect to extend this."

Mr. Clinton, continuing a busy schedule of public events, returned from St. Louis, Missouri, and a meeting with Pope John Paul II to outline his recent proposals on the Social Security retirement program at a White House meeting.

White House aides said the vote reaffirmed that the impeachment process had been largely partisan.

Mr. Daschle hammered at that theme.

"These articles never contained impeachable offenses," he said. "The impeachment process has been abused by a partisan effort and we should bring it now to a close. The president's behavior was indefensible, not impeachable. The president should not and will not be removed from office."

He said Mr. Clinton should, however, receive "sanction and rebuke" and said he would support a motion to censure the president.

Approval of the motion on witnesses gave Republicans, however, something to cheer. Representative

Asa Hutchinson of Arkansas, one of the House prosecutors, said that vote "shows the strength of the managers' case."

The motion to dismiss had been submitted Monday by the West Virginia Democrat, Senator Robert Byrd. Its defeat echoed the largely party-line votes in the House last month for articles of impeachment, which charged Mr. Clinton with perjury and obstruction of justice in attempting to conceal his relationship with Ms. Lewinsky, a White House intern at the time.

The question of witnesses was one of the most divisive that senators faced. The president's aides have said that preparing for witnesses would require the time-consuming review of more than 50,000 pages of yet-unseen documents compiled by the independent counsel, Kenneth Starr, during his investigation of Mr. Clinton.

"White House lawyers will not be ready" if the Senate calls for depositions of the three witnesses to move ahead this week, said Mr. Lockhart, the White House spokesman. They will not be ready, he said, until "they have a chance to see the documents the House managers have had for months."

"This is like blindfolding us,"

Mr. Lockhart said, "and it's like asking the president's defenders to go into a process knowing far less than what the prosecution knows." He would not say whether the White House would demand more time to prepare.

The Senate could accept or reject such a request, though the White House could seize on a rejection for political gain, saying it proved the proceedings were unfair.

The House prosecutors, and several Senate Republicans, have accused the White House of holding the threat of a drawn-out trial as a blunt weapon over senators' heads.

There had been speculation Tuesday that the two votes would be postponed while efforts to forge a new bipartisan trial plan continued.

After closed-door debate Tuesday evening on the witness motion, about 20 members of both parties surged forward to surround Mr. Lott and Mr. Daschle, urging them to broker an exit strategy. Closed-door meetings between varying groups of senators continued through the morning Wednesday.

The Republican proposal that was gaining closest attention called for the three witnesses to be deposed this weekend in private by lawyers for both sides, with one senator from

white male twins who fought in World War II seems to confirm that definitively.

Dr. Caroline Tanner and her colleagues at the Parkinson's Institute reported Wednesday in the Journal of the American Medical Association that the disorder most commonly affected only one member of a twin pair. If the disease were genetic in origin, both members of a pair of identical twins would be expected to develop it.

Parkinson's disease results from the death of certain brain cells that secrete dopamine, a chemical messenger used for controlling movements.

Genes Absolved as Main Culprit in Parkinson's Disease

By Thomas H. Maugh II
Los Angeles Times Service

LOS ANGELES — Most cases of Parkinson's disease are not caused by a defective gene, but rather by exposure to as yet unknown chemicals in the environment, scientists reported Wednesday.

The discovery should provide some comfort to family members of Parkinson's victims who fear for their own future health, said the research team, from the Parkinson's Institute in Sunnyvale, California.

The study also suggests that research should focus on potential environmental causes, such as pesticides and herbicides, the team said.

Genetics is a factor, however, in the relatively small number of patients — less than 10 percent — whose familial Parkinson's begins under the age of 50. Their disease is caused by a gene that has already been identified.

Based on previous studies with small numbers of twins, scientists have long suspected that genetics did not play an important role in the disease, which affects more than a million Americans. The new study of nearly 20,000

BRIEFLY

Netanyahu Rival Joins Cabinet

JERUSALEM — Prime Minister Benjamin Netanyahu's mentor-turned-rival was sworn in as the Israeli defense minister in Tel Aviv on Wednesday after the Knesset approved his nomination.

The new defense chief, Moshe Arens, 73, a veteran politician and member of Mr. Netanyahu's Likud bloc, challenged the prime minister in party primaries this week, expressing concern about the direction of Likud after a series of defections by members.

It was Mr. Arens who brought Mr. Netanyahu into Likud in the early 1980s. Mr. Netanyahu, who is eager to demonstrate that he can command party loyalty even from his critics, nominated Mr. Arens a day after defeating him in the primaries. Mr. Netanyahu received about 80 percent of the vote. (AP)

9 Europeans Missing in Congo

POINTE NOIRE, Republic of Congo — Nine Europeans, including two priests, have been missing since Monday night in the southwestern Dolisie region of the Republic of Congo, where troops and militiamen loyal to former President Pascal Lissouba clashed Monday and Tuesday, a European source said Wednesday.

Missing were five French nationals, a Dane and a German working for the timber company Socobois, as well as a French priest and a Swiss priest, said the source, an employee of a company operating in the area.

Details on the captives and the circumstances of their disappearance were sketchy. The company employee said the priests had fled the fighting in Dolisie and taken refuge in the bush. (AFP)

New Push to Protect Antarctica

MCMURDO STATION, Antarctica — Antarctic Treaty countries pledged Wednesday to increase efforts to reinforce the 40-year-old pact, which is designed to protect the continent's fragile environment.

Government representatives vowed to combat illegal fishing, in particular overfishing of the Patagonian toothfish.

A communiqué noted a trend toward recognition of Antarctica as an ecosystem that included both the land and surrounding seas. The treaty has been signed by 43 countries. Twenty-four of them sent representatives to a one-day meeting at this U.S. research station. (Reuters)

TribTech

When HAL Met Sally

Talking Systems Spur Automation of Homes

By Peter A. McKay
Washington Post Service

WASHINGTON — Timothy Shriver's children think "Sally" is alive. She knows their names, where they go to school and what color their eyes are. When they lounge on the living-room couch or sit at the dinner table, they need only ask aloud whether Sally remembers such details, and her voice will float through an intercom with the answers.

But there is only a personal computer at the other end. Sally is the family nickname for the software that has automated the Shriver house.

With spoken commands, family members can turn up the heat, turn off a light or turn on the security system or videocassette recorder.

The system also can read out stock information it downloads from the Internet and from an electronic Rolodex — including the data on the children that Mr. Shriver has put there as a test.

Mr. Shriver is chief executive of Home Automated Living LLC, the company based in Laurel, Maryland, that created Sally. He is hoping that recent advances in speech recognition and the popularity of personal computers will breathe new life into home automation, an idea that has been around for decades. Many outside industry experts express a similar optimism.

By avoiding expensive rewiring and complex controls, Home Automated Living hopes to make integrated home systems common in middle-class houses, not just the mansions of technology gurus such as Bill Gates, chairman of Microsoft Corp.

"People have a lot of devices around their houses that don't talk to each other," Mr. Shriver said. "We think if we can show them the convenience and advantage of integrating them, they will be interested in this."

HOME AUTOMATED Living released its first program, HAL2000, a little more than a year ago and has about 2,300 users so far, company officials said. It runs on ordinary personal computers and can be controlled through commands that are picked up by microphones around the house or spoken over the telephone.

Mr. Shriver said HAL2000 expanded on the traditional idea of simply turning gadgets around the house on and off. It can dial into the Internet periodically to check news, weather, television listings, sports and stock information. It also can be programmed to notify homeowners by beeper or spoken reminder if a stock fluctuates outside a particular price range.

The \$399 HAL2000 includes several hardware adapters for light sockets and phone jacks. George Snyder, the company's marketing director, said that with additional out-of-pocket adapters and labor, it would cost about \$1,000 to wire the security system, entertainment center and lighting of a three-bedroom home to HAL.

Hungjun Li, an analyst for Parks Associates, a Dallas-based technology-research firm, said price gave the program an advantage over similar systems that have started at \$10,000.

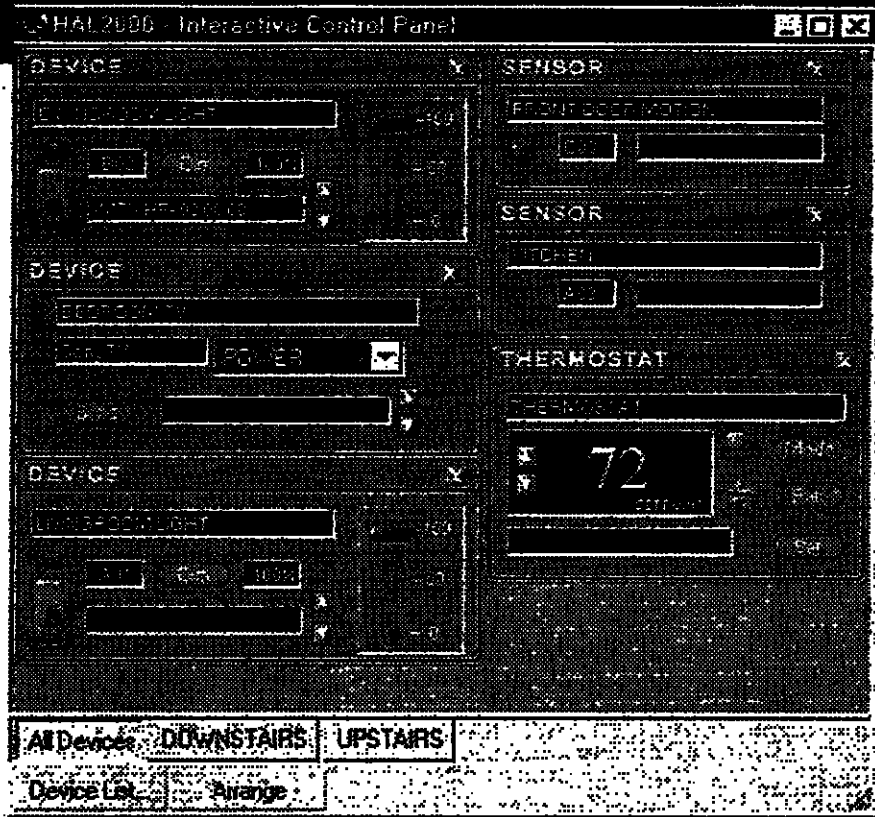
But he said cost was not the only reason such systems have not gained wide popularity with consumers.

"A lot of people don't understand what home automation is for, or they may think they don't need it," Mr. Li said. "And to be honest, the industry has done a bad job of explaining the benefits."

Charles McGrath, executive director of the Home Automation Association, said the public had not yet considered the convenience and safety aspects of such products.

For example, he said, a Washington resident could close mechanized storm shutters at a vacation house in Florida with a phone call when a hurricane was threatening.

Mr. Snyder of Home Automated Living said: "Look at the TV remote control. No one would have



Marie Perle/News/The Washington Post

Timothy Shriver says voice-commanded systems are a major advance over those that made users go to a keyboard. Just by speaking, homeowners now can turn up the heat, turn out the lights or turn on a home's security system.

"I thought you'd ever actually feel a need for that. I think this will grow in the same way, even though its use is a little more subtle."

Mr. McGrath said home automation began to spread in the early 1980s, when builders and equipment makers focused on systems that worked through keypads or acted as glorified timers for one or two home devices. These early systems tended to be put into homes that cost \$1 million or more, he said.

Now that the proliferation of personal computers and the Internet has standardized home-automation technology somewhat, it is more flexible and more accessible.

Mr. Li estimated there were about 1.8 million users of devices that control multiple elements, up from 1.4 million a year ago.

AT THE Shriver home, users first must say "Hello, Sally" to get the voice-activated system ready for work.

After that, they might give it other set commands or speak in ordinary English: "Turn on the living-room light," or "Turn on the living-room light for 10 seconds."

The system recognizes multiple voices and is not user-specific.

Mr. Shriver said voice recognition was a major advance for home systems, which previously expected users to type commands into a computer.

"It'd be just as easy to go over to a light switch if you were going to do that," he said.

Mr. Shriver started Home Automated Living in 1994 after he sold Softec Systems Inc., which automated newsrooms at television stations. He said his new company was profitable, although he would not disclose specific financial results for the 12-employee firm.

Mr. Shriver said the company this year would release a scaled-down version of HAL to be included with new computers and an \$899 custom version for builders of new homes.

But company officials said their core business would remain HAL2000, which is aimed at converting existing homes.

And they shrug off comparisons of the product to Hollywood's fictional HAL, a speaking computer that murdered an astronaut in the movie "2001: A Space Odyssey."

Mr. Shriver and Mr. Snyder said their use of HAL was only a logical extension of home-automation systems.

And, Mr. Snyder said, "we like to think this is what HAL should have been."

BRIEFLY

MORE SCORN FOR WINDOWS:

Proponents of the Linux operating system would rather not have Microsoft Windows on their personal computers, and they would definitely rather not pay for Windows, which is standard issue on most PCs. Now, with a militancy that seems to be part of the movement, a band of Linux users plans to demand its Windows money back.

The users are hoping to use a loophole that they say they have found in the end-user licensing agreement for Windows, which says, in effect: If you do not agree with the stated terms and conditions, do not use the software. Those who do not agree with the terms, the agreement states, should "promptly contact manufacturer for instructions on

return of the unused product(s) for a refund."

A handful of Linux aficionados have declared Feb. 15 "Windows Refund Day."

"We're going to quietly walk up to the Microsoft office, and people are going to turn in their disks, manuals and certificates," said Don Marti, a leader in the Bay Area Windows refund campaign in Northern California, "and they're going to get a check."

Microsoft Corp. is not sure about that. Tom Pilla, a company spokesman, said the end-user licensing agreement was intended only to ensure that people used Windows properly and did not make illegal copies. "By the time they're reading the end-user agreement, they've

already purchased Windows, presumably consciously," he said. (NYT)

THE STUDENTS' CHOICE: Use of the Internet as an educational tool by college freshmen has become so prevalent as to be practically a way of life, a survey of college freshmen shows.

A huge 82.9 percent of first-year students say they use the Internet for research or homework. Nearly two-thirds, 65.9 percent, report that they communicate by e-mail.

But there is a great disparity by type of college. Among students entering elite private colleges, 80.1 percent they use computers regularly; at traditionally black public institutions, 41.1 percent say that.

"The disparity came as a kind of shock," said Alexander Astin, who founded the annual poll of freshmen conducted by researchers at the University of California-Los Angeles.

Craig Runde, director of the International Center for Computer Enhanced Learning at Wake Forest University in North Carolina, was emphatic about the importance of Internet use to students.

"The Internet will not mean the disappearance of books and libraries," he said, "but if you don't have access to it, your work will suffer in comparison with those who do. It's like not having a telephone. You can get along by using the telephone booth on the street corner, but not very well."

The survey, which has been taken yearly since 1966, is sponsored by the American Council on Education and the Graduate School of Education and Information Studies at UCLA.

The survey of this year's entering class got responses from 275,811 students at 469 two-year and four-year colleges and universities in the United States.

The data were statistically adjusted to be representative of the 1.64 million students who entered as first-time, full-time new students last autumn. (NYT)

COMPANIES SIGN ON TO SUN:

Hoping to herald the post-PC era, Sun Microsystems Inc. announced 35 licensees for its Jini software — an extension of its Java programming language that is intended to allow devices as diverse as computers, cellular phones and kitchen appliances to exchange information and work together via wired or wireless networks.

With consumer-electronics and appliances manufacturers and computer makers — including America Online, International Business Machines Corp. and Sony Corp. — endorsing the Jini software standard, Sun executives plan a new style of computing that will not depend on desktop personal computers. Mike Clary, general manager of Sun's Jini business, said the first Jini-enabled products would be on the market by the end of the year.

Sun executives contend that Jini now has a demonstrable lead over a similar network initiative that Microsoft announced this year. Unlike Jini, which will work with a variety of operating systems, Universal Plug and Play will run only on Microsoft operating systems. (NYT)

STEADYING THE IPOs: Acting to stem the wild price swings that have become common on the first day of trading of some Internet companies, the Securities and Exchange Commission approved a rule extending to 15 minutes the period for which market makers must post prices for shares in initial public offerings on the Nasdaq stock market before those shares begin to trade.

The change took effect Tuesday. Under the old rules, the professional trading firms that match buyers with sellers or take the other side of trades to ensure a liquid market posted prices just five minutes before an initial offering started to trade. The new rule also gives Nasdaq officials the power to extend the time to 30 minutes. (NYT)

Putting People First

Taiwan's Human-Friendly Technology

By Thomas Crampton
International Herald Tribune

TAIPEI — The powerful organization that steered Taiwan to dominate global computer production has now set its sights on human-friendly technology.

"The voice is loud for technology development in all industrialized countries, but we think the concerns of society and humans have been not been heard," said Hwang Jann-tai, the theoretical chemist-turned politician who heads the cabinet-level National Science Council and who launched the project a year ago.

"Instead of just making smaller cell phones and faster cars, we want companies, students and people to concentrate on technology that makes life more convenient for humans," he said. "New technology development too often forgets about improving people's lives. It is a very worrying trend."

Already under way in the initiative — which has been dubbed "Technology for Humanistic Concerns" — are projects to develop technological solutions to human handicaps, a large-scale test of nonpolluting electric motorcycles and the creation of a digital museum on the Internet.

The National Science Council's broad role in funding and directing research and development throughout the island means the initiative will be felt from classrooms to product commercialization, particularly for export. The powerful council has sole responsibility for funding Taiwan's universities, approving all scientific research and operating the highly successful science-based industrial parks.

For technology to help overcome human handicaps, the council has more than doubled annual spending on research to 95 million Taiwan dollars (\$2.9 million) and created a framework to unite formerly disparate and uncoordinated efforts.

"I really dislike terms like 'handicapped' and 'disabled,'" Mr. Hwang said. "Strictly speaking, everyone with bad eyesight is handicapped, but thanks to the technology of glasses, this condition no longer matters."

Last year, the council sponsored a series of workshops on technology to overcome specific disabilities that cul-

minated in a four-day public conference that attracted several thousand visitors.

At the university level, the council has launched a design competition for student teams to create simple tools to assist the disabled. One member of each design team must have a disability, and the prizes, to be awarded in May, include \$1 million donated by Hewlett-Packard Co. The council also set up an Internet

site recently to help the disabled find help and share solutions to difficulties. To study the best ways of encouraging pollution-free transportation, the council has begun an electric-motorcycle project in the Hsinchu Science Park.

Installation of the infrastructure for electric vehicles, including plugs and parking spaces, is to be completed within two months, and park authorities hope to switch more than 10 percent of the park's 30,000 motorcycle commuters to electric vehicles by 2001.

With an estimated 13 million motorcycles for a population of 21 million people, the temperate island has one of the world's highest densities of small combustion vehicles in the world.

To popularize the notion that technology should serve the humanities and secure a role in education, the science council is spending 40 million dollars this year to start an interactive digital museum on the Internet.

THE PROJECT will link and organize Internet sites from Taiwan's museums and universities, as well as commission original work from professors intended to present their knowledge in a manner accessible to the general public.

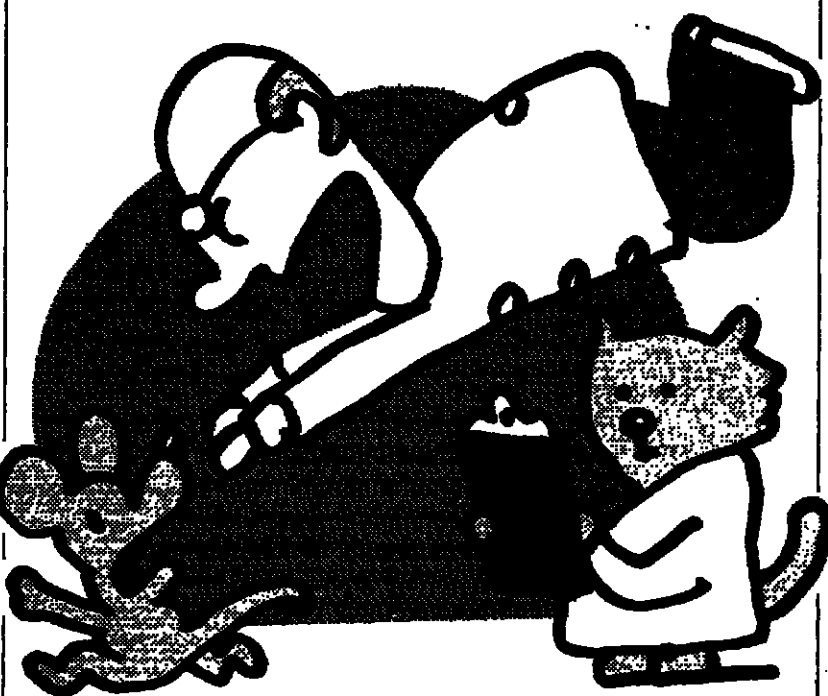
Taiwan, for example, is famed for its butterflies, so a top lepidopterist has been commissioned to catalogue the native species on a World Wide Web site.

While the government now provides funding and impetus for the project, Mr. Hwang envisions more participation from the private sector and nongovernmental organizations as his idea gains currency.

"We are not unrealistic," he said.

"We are trying to induce a cultural change of outlook on technology that will not happen overnight. But we want to build a structure that will allow long-term dissemination of the idea that the first purpose of technology is to serve people, not the other way around."

ALT / Patents



Shawn O'Connell/IST

Better 'Ears' for Radar

Technology Aims to Make It More Cat-Like

By Teresa Riordan
New York Times Service

NEW YORK — Can understanding how a cat pounces on a mouse help an air traffic controller spot incoming planes? Or make a difference in the way a military pilot locates a ground target? Or improve a weather forecaster's ability to identify lightning strikes?

Yes, according to Alianna Maren, a senior scientist at Accurate Automation Corp. in Chattanooga, Tennessee. Ms. Maren has patented a technology that she says enables radar to become more precise by integrating different types of "returns" in much the way that a person, or a cat, integrates the perception of different senses.

"A cat who is hunting, let's say, will use both its auditory and visual senses to be able to detect the mouse," Ms. Maren said.

"In every mammalian brain, there's a special portion of neural tissue called the superior colliculus. What that portion of the brain does is take in auditory, visual and tactile information and fuse that information together," she said. "We have taken some basic principles of how the brain works for sensory fusion and then put that into the computer, mimicking the same action."

For example, Ms. Maren said, her

system could integrate information emitted from an airplane transponder with radar images of the plane taken at an air traffic control center.

"The transponder gives the identification of what the aircraft is but gives a less specific location for the aircraft," she said.

"The radar gives a more accurate location for a target but wouldn't be able to say what the aircraft is." By putting those two sets of information together, she said, she can eliminate background "noise" created by buildings or ocean waves or weather disturbances and thus get an accurate picture of the plane and its location.

CURRENTLY, according to Robert Pap, president of Accurate Automation, beyond about 35 to 40 miles (56 to 64 kilometers) a plane may not be exactly where its picture on the radar screen shows it to be.

He said statistical models had been used to project true locations of distant objects identified by radar. "But those methods require a prior knowledge of conditional probability distribution," Mr. Pap said. "That means you have to know the likelihood of what's out there. But because the situation is changing all the time, you couldn't use those methods with any reliability."

TECHNOLOGY INDEX

Technology stock indexes around the world:

| North America | Tuesday close | Pct. change previous week | Pct. change year to date |
|------------------------|---------------|---------------------------|--------------------------|
| Pacific Exchange Tech | 497.97 | | +10.85 |
| S&P Tech Composite | 1,311.21 | | +12.24 |
| Europe | | | |
| Morgan Stanley Eurotec | 672.28 | | +10.12 |
| Asia | | | |
| Topix Electric | 1,579.26 | | +2.38 |

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see TribTech on the IHT's World Wide Web site at <http://www.ihrt.com>. Articles include:

- Microsoft Shares Surge On Record Net for Quarter, Jan. 21
- Technology Shares Gain, But Blue Chips End Lower, Jan. 21
- New Data Age: Now, Portable Phones Aren't Just for Talking, Jan. 21
- Free PCs Should Make Economic Sense Soon, Jan. 21
- Scandinavian Phone Firms Set to Merge, Jan. 21
- Europe Helps American Profit, Jan. 22
- China's Telecoms Battle, Jan. 26
- Microsoft to Invest in U.K. Cable Firm, Jan. 26
- Microsoft and SMI Power Market, but Phone Shares Fall, Jan. 26
- Softbank Plans Japan Venture, Jan. 26
- SAP's Profit Slumps 15% as Demand Falls in Japan, Jan. 27
- Philips Plans Sizeable Charge, Jan. 27
- Asia Internet Providers Ask U.S. Carriers to Share Costs, Jan. 27

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to tribtech@ihrt.com. International Herald Tribune

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The Security Council

You may not have heard or read much about Ambassador Richard Butler's latest report to the UN Security Council, and that is exactly how the Security Council wants it to be. Mr. Butler, the Australian diplomat charged with overseeing the porting of Iraq's weapons of mass destruction, submitted a 250-page document on Monday that is full of uncomfortable truths. Security Council members, more interested in playing make-believe than in standing up to Saddam Hussein, disparaged the report, with Russia and China leading the closed-eyes brigade. Their susceptibility to Iraqi propaganda cannot change the facts that Mr. Butler and his arms control experts present in stark and unemotional detail.

The first myth punctured is that Saddam Hussein no longer presents much of a threat — that he has, as claimed, destroyed his chemical and biological weapons and the missiles to deliver them. Mr. Butler offers persuasive evidence that Iraq's arsenal may still include VX nerve gas, missile warheads of biological weapons, aerial bombs filled with chemical weapons, artillery shells containing mustard gas, and more. Last summer, for example, UN inspectors uncovered a document detailing how many chemical weapons bombs Iraq had used in its war with Iran during the 1980s. Iraqi officials snatched the document away, but not before inspectors saw that Iraq had used 6,000 fewer bombs than it had claimed, meaning that many remain unaccounted for.

Similarly, Iraq's apologists at the United Nations would have you believe that Saddam Hussein by now has cooperated pretty well with the inspectors, who just don't know when to quit. Mr. Butler's report makes clear that a pattern of concealment that began in 1991 has never ceased. In that year, shortly after Iraq's defeat in the

Gulf War, senior Iraqi officials, including the telegenic deputy prime minister, Tariq Aziz, decided to offer up only part of Iraq's proscribed arsenal, while pretending full cooperation. A high-level defection in 1995 forced Iraq to admit the deception and hand over thousands of documents. But that 1995 "admission" was in fact a further deception. UN inspectors have evidence of "several shipping containers" of documents being hustled away before the handover. Iraq has yet to account for those and many other missing documents.

The third myth popular these days is that UN inspectors could move from active disarmament to more passive monitoring and still contain the Iraqi threat. In fact, monitoring is problematic in the best of circumstances. If sanctions are lifted and Iraq can import anything, it would become far more difficult. If monitors do not have an accurate baseline knowledge of Saddam Hussein's arsenal, it becomes harder still. And if monitors meet with the same resistance and deception with which Iraq has stymied the disarmament effort, it becomes impossible.

France, Russia and China know all this as well as Mr. Butler, of course. But they have done a good job of changing the subject — of making the UN inspectors the villain rather than Saddam Hussein. Sadly, a major casualty of their sophistry will be the Security Council itself, which mandated, without any ambiguity, the destruction of Iraq's biological, chemical and nuclear weapons capabilities.

But this is not just some abstract question of credibility. Saddam Hussein has used these weapons; he will use them again. The United Nations can ignore Mr. Butler's report. That will not make Iraq's mustard gas any less horrific.

—THE WASHINGTON POST.

The Pope's Message

This Wednesday, Pope John Paul II was completing his eighth visit to North America. In recent days in Mexico City and St. Louis, he spoke haltingly at times and walked unsteadily. But his message, the primacy of the human being, rang out. Early in his papacy he attacked the dehumanization of communism, and now he sounds warnings about the human costs of hard-edged capitalism. World events have risen and fallen around John Paul, but his theme has never changed.

At his Mass in Mexico City's Basilica of Our Lady of Guadalupe, he attacked Latin America's free market policies for their neglect of the poor and for their "purely economic conception of man." He blamed globalization for causing environmental destruction and a growing gap between rich and poor. He criticized the materialism inspired by the media.

When the Pope was elected in 1978, his first foreign visit took him not to his native Poland but to the Dominican Republic and Mexico, which has more Catholics than any nation except Brazil. His latest trip to Mexico was his fourth, and the country's embrace seemed even warmer for his failing health.

One of his goals in Mexico was to stop the flood of millions of Catholics who have joined evangelical Protestant churches. He was also trying to attract young people to the priesthood. There is only one priest for every 13,000

parishioners in Latin America. Some of the church's problems stem from John Paul's conservative views on doctrinal matters, especially birth control and divorce, which have convinced many Latins that the church is irrelevant to their daily lives.

The church in the United States has also experienced a shortage of priests, and officials are worried about Catholic adhesion among young people, whose views on premarital sex, homosexuality and birth control are far more liberal than those of their parents.

John Paul also sought to warn Mexicans of the dangers of technology, which can lead, he said, to a world without a soul. His trip, however, inadvertently reveals the magnitude of what he is battling.

He has always relied on modern media to enhance his extraordinary charisma and communication with his faithful. Before he spoke of technological dangers in Aztec Stadium, the arena's screen blazed with greetings to the Pope transmitted from all over the Western Hemisphere. His criticisms of materialism were part of a trip underwritten by Pepsi-Cola and several other companies. Pope John Paul won his battle with communism, but his struggle to mount a spiritual critique of capitalism and a global commercial culture promises to be an even more complex task.

—THE NEW YORK TIMES.

Other Comment

Vanquish Mass Poverty

It is time we recognized poverty for what it is: a brutal denial of human rights for the 1.3 billion who live on less than \$1 a day.

Incarceration by poverty can be as cruel and confining as any political gulag, but for almost four decades the human rights debate has been polarized by ideology. While some emphasize civil and political rights, others argue that without progress in development, the conditions for enjoyment of civil and political rights could not exist.

The divide was unbridgeable during the Cold War, but renewed efforts are under way to bring members of the international community back to their original best hopes for the future — an embracing commitment to human rights, including the right to development. The UN Development Program is promoting a campaign to end

the scourge of mass poverty within the lifetime of today's children. To date, 78 countries have national plans to eradicate poverty or have built poverty reduction into their development strategies; 40 more are working on such plans.

In an era of abundant wealth and information, surely it is possible to vanquish large-scale poverty. And 50 years after the Universal Declaration of Human Rights, surely all people are entitled to the recognition of our common humanity.

Human development and well-being, literacy, good health and employment, like civil, political and cultural rights, are not favors or acts of charity bestowed on the poor. They are human rights, and they are as valid today as they were 50 years ago.

—James Gustave Speth, administrator of the UNDP, writing in the UNDP magazine *Choices*.

China Is Slowly Winning a Long Game for the Sea

By Philip Bowring

HONG KONG — It is hard not to admire China's ability to play a long game on the international stage even while domestic policies are twisting and turning in the air.

The past few months have seen China take advantage of regional disorder and economic preoccupations to make the biggest strides since 1995 toward fulfilling its long-term goal of taking over the whole South China Sea. It has done so with remarkably little protest from neighbors, or indeed from major powers which have a vital strategic interest in the sea-lanes.

Far from spurring regional solidarity against China's creeping maritime hegemony, the moves appear to have exacerbated divisions within the Association of South East Asian Nations. Yet the expansion of ASEAN to include Vietnam, Laos and Burma was speeded up by a desire of the maritime states that entry of Vietnam would enhance regional solidarity.

China has added heavily to its structures on Mischief Reef, a mere 135 nautical miles off the Philippines, which it occupied in 1995. Although it pretends that these are being built by and for fishermen, none of the neighbors doubt their military function.

China also appears to have stepped up its naval presence (frigates, supply ships and a research vessel) in the area, which is well within the Philippines' 200-mile exclusive economic zone.

The pattern dates to 1992 — offer to talk about the sea and "joint exploitation" with neighbors, while proclaiming total sovereignty and creating new realities when opportunities arise.

The opportunity has been provided by the neighbors' preoccupation with the economic crisis, the gratitude they are supposed to feel for China's defense of currency stability, and the change of government in Manila.

The Philippines is not only militarily the weakest of the littoral states. From China's point of view, its offshore rocks and reefs are the most valuable strategically. The area is not far from small offshore oil fields exploited by the Philippines but claimed by China. And 300 miles to the north are shoals where China has put down a marker; these lie almost due west of Subic Bay and close to the main shipping lane.

The Philippines was clearly undecided on how to respond to the latest

Chinese expansion. The government was apparently aware of developments long before it announced them. This limited whatever value diplomatic and international protest might have had.

Some in the Philippines want at least a show of resistance, and an appeal to the United Nations. Others, notably the Foreign Ministry, say that policy toward China cannot be driven just by this issue, and particularly warn against closer ties with Taiwan as a possible antidote. They favor more talks and mutual "confidence-building measures."

President Joseph Estrada wants U.S. involvement, but Manila knows it cannot expect help from its defense pact with the United States. Washington has advised "restraint." A U.S. proposal for an international forum, including itself, is a nonstarter; opposition from Malaysia and Vietnam makes it easy for China to shrug it off.

ASEAN's position looks ever less meaningful. If still talks of diplomatic solutions while Beijing creates facts. China meanwhile refuses to talk on anything other than a bilateral basis with littoral states, successfully brushing off attempts at multilateral discussions.

ASEAN's "plan of action," from its December meeting in Hanoi, calls for a

council to resolve potential conflicts. But resolving conflicting sea claims with each other, even if possible, is marginal to the wider issue of China's claim to everything.

Malaysia is currently especially keen on dialogue rather than confrontation with China. It can afford that for now because it has spent enough to build up its own air and naval capability to deter China from making moves in its claimed area, the south-eastern part of the South China Sea, which is also the richest in oil.

Vietnam has showed enough willingness since 1992 to resist Chinese encroachments on its southern waters that Beijing has turned its attention to the Philippines. Manila relied for so long on the U.S. presence that it has scant way of defending itself.

But China will pick off each in turn, just as it grabbed the Spratlys from a divided Vietnam in 1974, and used force against a diplomatically isolated Vietnam in 1979 and 1988 to curtail its presence in the Spratlys.

China has come a long way in the South China Sea in 25 years. At this rate the sea will all be Chinese by 2050. The long game will have paid off.

—International Herald Tribune.

In Iraq and Kosovo, the Battle Will Be on the Ground

By Jim Hoagland

WASHINGTON — Help them? Ignore them? Or do the job for them? The Clinton administration grapples with those questions as it faces separate but urgent foreign policy challenges in Iraq and Kosovo.

"Them" are the indigenous opposition forces in the two crises. They fight against separate repressive dictatorships in Baghdad and Belgrade.

They might have been called national liberation movements in an earlier age.

In Iraq, a guerrilla army capable of ousting Saddam Hussein does not exist today, largely because of past American betrayals and miscalculations. It will have to be created, a task that the Clinton administration promised congressional leaders in a private briefing in mid-January that it was now actively, if belatedly, taking on.

Senators who heard Secretary of State Madeleine Albright, Defense Secretary William Cohen and others outline the shift away from "containing" Saddam's forces to a new "overthrow" strategy welcomed the change. But some were skeptical about the depth of the administration's conversion.

U.S. policy does seem to have turned a corner with the Pentagon's concentrated and continuing use of airpower against Saddam's forces since mid-December. Operation Desert Fox and the retaliatory air strikes against anti-aircraft batteries that have followed "show that we will do whatever it takes to keep the military option on the table," says a senior White House official.

The air campaign has rattled and hurt Saddam.

But airpower is not going to enforce a political solution on its own. A quick and visible military supply program — an

"overt covert" operation — for Iraqis willing to fight Saddam on the ground is an essential element of a serious overthrow strategy. So is returning a small number of U.S. troops to the northern Iraqi enclave controlled by Kurdish forces.

In Kosovo, an effective, well-financed guerrilla force exists, but senior Clintonites increasingly distrust and disparage it. The Kosovo Liberation Army is fighting for independence from the Belgrade regime of Slobodan Milosevic.

Washington opposes the KLA's goal of independence, and declines even to consider an "overthrow" strategy against the Serbian Communist boss.

This has to do with every bureaucracy's innate caution in dealing with changes in national borders, and with individual U.S. policymakers' belief that working with the vicious Mr. Milosevic is the best U.S. bet.

But it also has to do with the reality that in Kosovo there is neither appetite nor convincing logic for bombing raids, even

against an odious Serbian regime. Whatever Washington's intentions, bombing will have the effect of bringing Kosovo independence closer, and will make widespread ethnic bloodshed more likely.

That is a heavy responsibility to saddle on NATO pilots. Their political leaders have to decide first if independence for Kosovo is an acceptable outcome.

Britain, France and now Germany have formally told the United States that they will commit ground troops to a NATO force in Kosovo if a small number of U.S. troops

For or Against: Six Steps Toward a Kosovo Solution

By William Pfaff

PARIS — A decade ago, Slobodan Milosevic set alight ethnic Albanian nationalism in Kosovo. Nothing now is likely to extinguish that fire until the province is free of Serbian control. The parade of officials to Belgrade to ask Mr. Milosevic to behave, and threaten him if he does not, is futile.

NATO's threat-to-bomb Serbian targets is intended to change the policies of the Milosevic government. Such bombing would change nothing important on the ground, and, as it amounts to a replay of the American policy that has failed in Iraq, would be unlikely to change Mr. Milosevic's conduct.

The international community must decide whether it favors continued Serbian control of Kosovo, for reasons of regional stability, or Kosovo's independence. There unfortunately is no third possibility.

There once was a third way, Kosovo's autonomy within a Yugoslav federation, but Mr. Milosevic ended that compromise a decade ago. Now it is

unacceptable to the Kosovo leadership as well.

Support for continued Serbian rule of Kosovo would find little public support in the West, and in any case would probably fail, even with Serbian police and troops employing the atrocious measures they used in Bosnia. A nationalist dynamic has been created in Kosovo that probably cannot now be stopped until the province rules itself.

The international community deplors Serbia's methods in dealing with insurrection, but it cannot stop them unless it changes its own policy. A changed policy might preempt those atrocities, and could have a positive influence on the political development of the crisis, while containing the regionally destabilizing consequences that NATO fears.

The following steps seem to me worth discussion:

• An international agreement, or NATO finding, that Serbia's policy in Kosovo, by its war crimes and defiance of international norms of conduct, has provisionally forfeited Serbia's rights in Kosovo.

• A NATO decision to conduct air operations to interdict Serbian military and police operations inside Kosovo (accompanied by limited ground operations in defense and air control targets in Serbia essential to the protection of those air operations). This would not be an Iraq-style operation to "punish" Serbia. Its purpose would be to protect Kosovars.

• A stronger version of the same decision would provide training and arms for ethnic Albanian forces in Kosovo, as the United States did for Croatian and Bosnian forces from 1993 to 1995.

• International recognition of the de facto control exercised by the Kosovo liberation movement over most of the province, thereby opening a dialogue to obtain from Kosovo leaders guarantees of the security and political rights of those members of the Serbian minority in Kosovo who wish to remain. (Most Serbs undoubtedly would leave. They should get security in leaving, and payment for abandoned property.)

• Declaration by NATO, the Contact Group, the OSCE, the European Union or, preferably, the United Nations — whichever is prepared to take the initiative — that Kosovo is provisionally an international protectorate. The existing international verification corps should be redeployed as observers and potential guarantors of the good behavior of the ethnic Albanian authorities.

• The international community should hold that the final status of Kosovo will not be determined until the present government of Serbia is reliably replaced by one which respects human rights and observes in-

Globalization Needs a Human Face

By Klaus Schwab and Claude Smaida

GENEVA — There has been much talk about the necessity to remodel the global financial infrastructure, to create mechanisms for a better monitoring of short-term capital flows. The debate is now actively engaged.

It is crucial that emerging market economies be fully involved and that their voices and concerns be taken into consideration. The interdependence created by the globalization process means that emerging market countries have to be integrated as full stakeholders in the management of the global economy.

The implications of their actions and policies have proved as far-reaching for global stability as the consequences of policies set in motion by some Group of Seven members.

Action at the international level has to be complemented at the national level, to create or strengthen the strong institutional and regulatory framework required for the functioning of a free market economy integrated in the global system. There is some consensus on what are the basic components of good corporate and economic governance.

Much remains to be done in this domain, but at least an initial impetus has been created out of necessity. The challenge here is to move fast enough so as to recreate a sense of confidence among financial operators and investors toward emerging markets.

It is also to make sure that despite the different cultural and historical backgrounds among the countries, there are enough common elements between these "softwares for globalization" so that they interconnect to allow for economic activity and decisions on a global scale with a reasonable level of predictability and agreement as to the rules of the game.

We are confronted with what is becoming an explosive contradiction. At a time when the emphasis is on empowering people, on democracy moving ahead all over the world, on people asserting control over their own lives, globalization has established the supremacy of the market in an unprecedented way.

The pressure for ever increasing productivity and profitability in order to face up to the mega-competition for capital and investment in the globalized financial marketplace is sweeping aside any other balancing or con-

straining factor. The forces of financial markets seem to be running amok, humbling governments, reducing the power of unions and other groups of civil society, creating a sense of extreme vulnerability for the individual confronted with forces and decision-making processes way beyond his reach.

We must demonstrate that globalization is not just a code word for an exclusive focus on shareholder value at the expense of any other consideration; that the free flow of goods and capital does not develop to the detriment of the most vulnerable segments of the population and of some accepted social and human standards. We need to devise a way to address the social impact of globalization, which is neither the mechanical expansion of welfare programs nor the fatalistic acceptance that the divide will grow wider between the beneficiaries of globalization and those unable to master the skills and meet the requirements of integration in the global system.

The truth of the matter is that globalization has created new and more demanding challenges for governments. They have to reinvent their role in order to help their citizens to meet the requirements of an ultra-competitive society shaped by the knowledge economy, while at the same time providing the "compassionate government" that some political leaders are now advocating as an alternative to the old dichotomy between right and left.

If we do not invent ways to make globalization more inclusive, we have to face the prospect of a resurgence of the acute social confrontations of the past, magnified at the international level.

Responsible globalization will have to mean not only a financial infrastructure that works, or accepted global norms of corporate governance. It will have to mean also a "values-added" globalization that takes into account the differences in the way America, Europe and Asia set their priorities and create a common denominator of shared social and ethical values.

Klaus Schwab is president and founder and Claude Smaida is managing director of the World Economic Forum. They contributed this comment to the *International Herald Tribune*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Mormon Ways

NEW YORK — As a result of the heated discussion in the newspapers regarding the eligibility of Mr. Brigham Roberts, the recently elected polygamist member of Congress, public feeling against the Mormons and their ways has become very intense. It has culminated in the general community at Newburg, Arkansas, giving notice to a colony of Mormons there to leave at once on pain of death. The mob wrecked the Mormon church, and injured members of the congregation.

1924: Death in Mines

NEW YORK — Arriving immediately after an explosion which killed thirty-seven in a mine in West Frankfort, Illinois, forty men were entombed in the Lancashire mine in Shanktown, Pennsylvania, by an explosion which wrecked both entrances

to the pit. Three bodies have been recovered, and all hope of reaching the other entombed men has been abandoned, as the water in the mine is rising rapidly and the wrecking of the fan has prevented the clearing up of black-damp.

1949: Tito Regime

BELGRADE — The regime of Premier Tito appears to be as firmly in power as it was when it was attacked by the Cominform. Only a "handful" in the Yugoslav communist ranks have sided with the Cominform according to the speakers at the congress, where hundreds gave Tito repeated ovations. The same thing was said at the congresses of the other five Yugoslav federated republics which have met at regular intervals since June to affirm their faith in Marshal Tito in what has developed into a direct contest with the Kremlin.

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OPINION/LETTERS

The Republican Party,
Home of the Crybabies

By Frank Rich

NEW YORK — It was just a year ago that America's television anchors dumped the Pope in Cuba for a rendezvous with Monica Lewinsky in Washington. Almost all you need to know about what has happened since is that Bill Clinton flew to St. Louis to bask in the sunny glow of the Pope, while his tormentors remained mired in Washington with Monica.

A cynic might say that the president was exploiting the papal visit to burnish his image. But you could argue that the Pope has more to gain: In a year-end Gallup Poll, Americans named the president as "most admired" man, reducing the pontiff to a distant runner-up.

Where does that leave the high priests of morality who are prosecuting Mr. Clinton for sleazy sex and lies? They are not even in the game. In a Washington Post poll this week, Larry Flynt earned a 40 percent approval rating — which means the publisher of *Hustler* has now pulled ahead not only of Kenneth Starr but of the Republican Congress.

Yet even now Mr. Clinton's adversaries do not know what hit them. They argue that Slick Willie, through some black arts of spin, has stacked the deck. They cry that the polls are rigged. They will soon, no

doubt, return to vilifying the "liberal media."

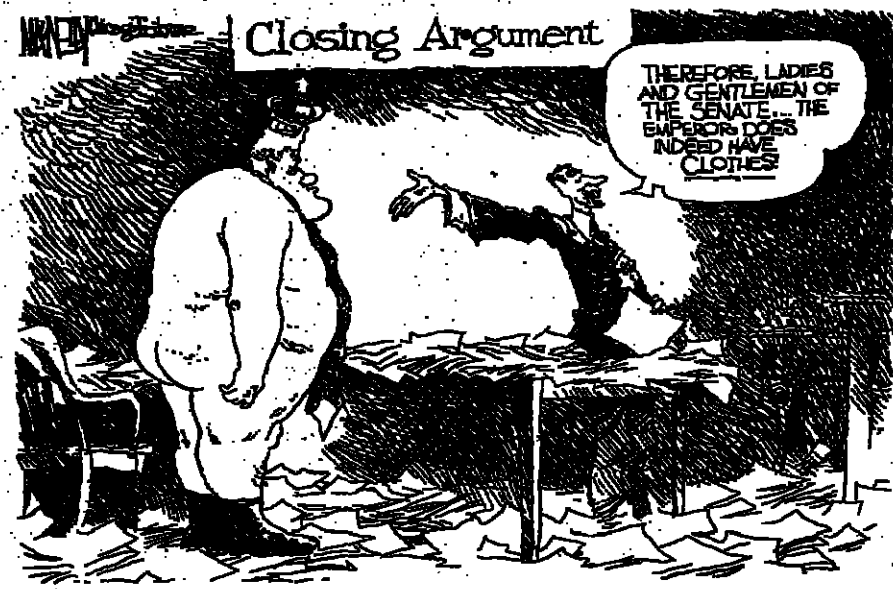
But while the right is fond of lecturing everyone else about "individual responsibility," it takes no responsibility for its own calamities, whether political (dumping all of Mr. Starr's unexpurgated porn on the country) or moral (ceding the impeachment high ground to Trent Lott and Bob Barr, who not only appeared before a racist organization but lied about it).

The Republicans' woes are everyone else's fault. Newt Gingrich may be gone, but now more than ever the Republican Party is the party of crybabies.

In their who-blew-impeachment-debate, the Clinton adversaries are even turning on each other rather than accept any culpability for their ill fortunes. The hard right bashes Republican conservatives, and House managers like Mr. Barr trash their Senate colleagues for short attention spans and failings of principle. But the greatest anger — and blame — is directed at the idiotic, craven, morally bankrupt American people.

William Bennett's year-long lament over the death of public outrage is rapidly becoming his party's post-impeachment platform.

Over the weekend, Henry



Hyde called for an "abnormal psychologist" to do "a dissertation" on our ethical failings. Andrea Sheldon, whose Traditional Values Coalition cheerleads Republican gay-bashing, declared last week that "the American people are really messed up."

James Dobson, the party's most influential religious-right power broker, has decreed that "our people no longer recognize the nature of evil." Somewhat more elegantly, Bill Kristol has suggested that "the Founders were right to have a certain distrust of democracy."

His contempt is brazenly fleshed out this week in the pages of his magazine, *The Weekly Standard*, by the humorist P.J. O'Rourke, who describes "the American people" as "masses wading into airports, business

offices and churches dressed in drooping sweats or fuchsia warm-up suits or mink-suit-sized Bermuda shorts, each with a mobile phone in one ear and a Walkman in the other and sucking Diet Pepsi through a straw."

The only Americans these American-loathers seem to like are "the children." Ever since Mr. Hyde closed his trial summation with a letter from 8-year-old William Summers of Chicago chastising the president for lying, the mantra of the impeachment brigade has been that the president must be punished to save America's youth, who have been morally poisoned by Mr. Clinton's sordid behavior.

Perhaps if some of these politicians actually had children at home — or spent any time with them — they would learn that kids do not

look to Washington, whether the White House or Congress, for spiritual role models. If they did, how do we account for the fact that teenage pregnancies, out-of-wedlock births, abortions and cocaine use, not to mention crime, have all declined during the years when the president has been setting his appalling example?

In their desperate search for a scapegoat for their woes, the right may have to turn on children next — starting with little William Summers. The day after Mr. Hyde read the third grader's letter in the Senate, the boy went on television to say that he liked the president and thought he was "doing a good job" and should not be impeached. The death of outrage, it would seem, must be nipped in the crib.

The New York Times

Why Has U.S. Inflation Vanished?
More Work Hours, Without Pay

By Thomas Geoghegan

CHICAGO — It is no secret that Americans work harder than the citizens of almost every other industrialized nation: longer hours, less vacation, more stress on the job. At least we are getting paid more money for all this extra work, we tell ourselves.

But are we really? As a labor lawyer, I have recently begun to notice that a lot of Americans are working for nothing. By that I mean... well, free. Off the books. As in, "This hour doesn't count, so I don't have to pay you."

I caught my first glimpse of this several years ago during a child labor suit in which I represented teenagers who worked at fast food places on the North Side of Chicago. The

"Consider this," says a friend of mine, a labor lawyer who specializes in FLSA cases. "We're now a service-sector economy, so almost all the costs are labor costs. It's 90 percent for some businesses. So you don't even have to steal much of your workers' time — maybe 2 or 3 percent — to make a profit."

Service-sector America steals a little more bit by bit. Turns a profit. The Dow hits new highs. Even business groups admit this. The Employer Policy Foundation did a study in 1996 estimating, "conservatively," that illegally denied overtime pay amounted to at least \$19 billion each year.

As a union lawyer, I believe that is a vast underestimate. And it covers only one type of violation. There are many others.

Go anywhere: a supermarket, a nonunion hotel or club, any nursing home. There is a very good chance that the staff is working for nothing some of the time.

In many hotels now, employees work through "break time," but the break time gets deducted from their paychecks anyway. The rule is, the hotel gives it back if the workers complain individually — but how many dare to do this? Some hotels and clubs even collect tips that their employees never see.

So how come all this labor theft goes on? Because there is no one to stop it.

The unions cannot do much — they now cover 10 percent or less of the private sector. The Labor Department has been weakened by repeated cutbacks over the past 20 years. So no one is keeping an eye on who is being exempted from the labor standards act.

Even when labor lawyers find out about violations and decide to file suit, they face another obstacle. In FLSA cases, it is impossible for them to bring the normal type of class action. The plaintiffs all have to opt in one by one. In places like Chicago, where more than half the factory workers are foreign-born — Russian, Latino, Polish, Filipino — that is no easy matter.

With all this free work gushing into the economy every year, it's no wonder wages are rising, without inflation. Why should there be inflation at a higher wage if people at the higher wages are doing more work for less money?

To Alan Greenspan, the absence of inflation is a puzzle. Two years ago, he said there was an "invisible" productivity that no one could see or touch. There is no number, it is not countable, but it is out there. Sage people nodded. Yes, that is why there is no inflation. People are more productive for each hour worked, they have higher skills. "Look at all the assistant managers in those fast food places."

But maybe there is a simpler explanation. Out of sight, at every income level, more of us are working "for free."

Mr. Geoghegan, author of *"The Secret Lives of Citizens,"* contributed this comment to *The New York Times*.

LETTERS TO THE EDITOR

A False Distinction

Regarding "A Shift Is Under Way to Try to Humanize the World's Commerce" (Opinion, Jan. 25) by E.J. Dionne Jr.:

Representative Barney Frank's effort to put himself in a category of "international New Dealers" who stand between the isolationists and the "trickle-down" free traders rests on a false distinction.

Proposals to introduce "protection" for labor and environmental

standards into trade agreements have won virtually no support from the emerging-market countries that the proposals are intended to benefit. Is this because these governments know that the true purpose of such proposals is to raise their cost of doing business and thereby erode their competitive advantage vis-à-vis America? They also know that the best way to raise their labor and environmental standards is through greater prosperity — brought about in part by free trade — rather than through regulation. The real

difference between the "isolationists" and the "international New Dealers" is that the isolationists tend to be more forthright about their motives.

LEE HARRISS ROBERTS, London.

'Autopsy on Democracy'

Regarding "Little-Known Clique of Clinton Foes Kept Jones Case Alive" (Jan. 25):

Jerome Marcus's "low view" of President Bill Clinton is not enough

reason to subject the United States to such a risky operation to rid it of what he calls a "deadly cancer," especially when the rest of the world believes America is doing an autopsy on democracy.

PETER B. MARTIN, Valprie, France.

Thank God for the Senate trial of William Jefferson Clinton. I was born too late; I missed the Scopes trial.

JOHN W. SHRAHAN, Bad Arolsen, Germany.

BOOKS

A TRAITOR'S KISS:

The Life of Richard Brinsley Sheridan, 1751-1816

By Fintan O'Toole. 519 pages. \$30. Farrar Straus Giroux.

Reviewed by Audrey Foote

MOST young playwrights scribbling at their desks would be delighted with a debut like Richard Sheridan's. Still in his twenties, from 1775 to 1780 he packed the Drury Lane theater with satiric romps starring such characters as the malicious Lady Sneerwell, the dramatist Sir Fretful Plagiary, and the sunning Mrs. Malaprop, who would not want her daughter to be a "progeny of learning." But before the clapping stopped, Sheridan walked away from the stage. He had several other careers waiting in the wings: as a gentleman, a lover, and a politician.

Sheridan quit the theater, Fintan O'Toole suggests, partly to reject his actor-manager father, Thomas, who markedly favored Richard's older brother, Charles, and partly to escape the low social status of the theater. On his own Dublin stage, Thomas had been beaten and humiliated by rowdy Trinity College students who claimed that theater folk were not "gentlemen." Years later Richard, too, encountered this prejudice, and it almost caused his death.

The family settled in England in 1759 when Richard was 8; Thomas taught elocution while Richard went to Harrow and briefly studied law. Then in 1770 at Bath he fell in love with Elizabeth Linley, a beautiful young soprano. To protect her from the evil designs of cynical aristocrats (remember "Clarissa"?), Richard escorted Eliza to a convent in France. When they were brought back, he fought two duels for her and his honor. He was almost

skewered but had won Eliza's heart and, by dueling, stuns as a gentleman.

Still, he had to make a living for them both and soon a son, so he turned to writing plays, recycling his own romance in "The Rivals." In the next five years he made money, contacts and a reputation. With these assets he moved on and up.

Though O'Toole is a noted Irish journalist and drama critic, hardly a tenth of this book deals with the theatrical career for which Sheridan is celebrated; more than half focuses on his intricate involvement in 18th-century politics. This ratio indeed matches Sheridan's life and passions, so all the more credit to O'Toole for guiding us through this exotic material.

Welcomed as a wit in fashionable London clubs, Sheridan also managed to be taken seriously by liberal Whigs like his hero Charles James Fox. With their support, in 1780 he entered Parliament. Like Fox and Burke, he dazzled as an orator of five-hour tirades, campaigned hard, worked for his humane beliefs, and bitterly opposed the powerful prime minister, William Pitt. Despite his democratic views and King George's mistrust, he became a close friend of the Prince Regent. This remarkable rise was soon ruined personally since, unlike his colleagues, he had the appetite but not the funds for betting, drinking, carriages, and election expenses — or for gifts for the clever, influential duchesses with whom he began to have flimsy affairs.

In despair the still lovely but fragile Eliza finally took as a lover a handsome Irish lord, Edward Fitzgerald, had a child by him and died soon after, attended and deeply mourned by both husband and lover — her death as romantic as her courtship. But within a

year both men were courting a mysterious French émigré, Pamela, who bore an eerie resemblance to the lost Eliza. Lord Edward won her hand, while Sheridan's involvement with them later nearly destroyed him.

In those decades of revolutions and revolts Sheridan had become increasingly radical, obsessed with liberty. A paradigm of younger son as revolutionary? Luckily he was able to ease into it; his enthusiasm for the American Revolution was shared by many Whigs. He had fewer allies in his belief in the French Revolution, but Napoleon eventually disenchanted him.

His most passionate, dangerous commitment was to Ireland, the homeland he never managed to visit from the start of his career in politics, he advocated force to uphold Irish rights. "His support for radical reform in Britain and for potentially violent change in Ireland were between them more than enough to make him a traitor," says O'Toole. Among his co-conspirators was the charismatic Lord Edward Fitzgerald, his dead wife's former lover, now husband of Pamela. Sheridan planned a trip to Ireland to support Fitzgerald in the Rebellion of 1798, then later for his trial. Spared that risk by Fitzgerald's death in prison, Sheridan continued to work for their cause in 1799, writing another play, "Pizarro," starring Sarah Siddons, "an audacious defense of treason," and giving speeches in the Commons that referred to Ireland as "my country."

These facts support the "Traitor" in O'Toole's title. But considering the amazing candor of Sheridan's conspiracies, do they justify the Judas "Kiss"?

Audrey Foote, a lecturer on Irish drama, wrote this for *The Washington Post*.

BRIDGE

By Alan Truscott

THE granddaddy of all magazines in the field, *The Bridge World*, celebrates its 70th birthday this year by giving itself a new look: larger print, slightly larger pages and more of them. For information, write to 717 White Plains Road, Scarsdale, New York 10583.

The magazine's archives include many gems, some of which appear in a section called *Classic Rewind*. The diagrammed deal shows a concept that amuses everyone — except the victim.

Nowadays East would be likely to open one club, and North-South would reach the unbeatable three no-trump contract. But after the traditional one-spade opening, no

game contract is a good bet because even using four-card major openings, East is more likely to have five spades than four.

NORTH
♠ 9764
♥ 82
♦ A Q 6 5
♣ K Q 2

WEST
♠ Q 8 5
♥ 10 7 6 5 3
♦ 10 8 5
♣ 8 4

EAST (D)
♠ A K 7 10
♥ K Q 9 4
♦ 7 4
♣ 7 5 3

SOUTH
♠ 3 2
♥ A 3
♦ K 2 7 2
♣ A 7 10 8 4

Neither side was vulnerable. The bidding:
East 1♣ South 1♠ West 2♣ North 3♠
1♠ Pass Pass Pass

West led the spade five.

This was before the days of the low-level one-bid that promises nothing in the suit. So North plunged wildly into five clubs when his partner overcalled. This contract appears hopeless, but East fell into a subtle trap. After taking two spade tricks he shifted correctly to the heart king, which saved him from being squeezed eventually in the major suits.

South did not give up. He took the heart ace, cashed the ace and queen of clubs, and led the diamond six to the king. He then led to the club queen, ruffed a spade and played his remaining trump. The ending is shown at right.

South cashed the ace-queen of diamonds and followed with the three. East suddenly discovered that he had not been paying suffi-

cient attention to the diamond spots. He threw the spade jack, believing that the three could not be a winner. But it was, for South had unblocked the seven and the nine.

The spade nine won the last trick and East resorted to the time-honored excuse "The light was bad."

NORTH
♠ 9
♥ 8
♦ A Q 3
♣ —

WEST
♠ —
♥ 10 7
♦ 10 8
♣ —

EAST
♠ J
♥ Q 9
♦ J
♣ —

SOUTH
♠ —
♥ J
♦ 9 7 2
♣ —

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PRIME SITES

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Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

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Continued on Page 16

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EUROPE

Bonn Backs Down on Exchange-Rate Targets

Compiled by Our Staff From Dispatches

BONN — Germany backed away Wednesday from its call for "target zones" for exchange rates and said it expected the European Central Bank to help lift its economy with an interest-rate cut.

In its annual economic outlook, Germany's Finance Ministry said it expected the central bank to exert an "economy-boosting" influence over the German economy this year.

"Under favorable, stability-oriented conditions, monetary policy can, through lower short-term rates, positively impact corporate profit expectations and thus investment and job creation," the ministry's outlook report said.

The report did not say whether the government expected an interest-rate cut this year or whether it expected the central bank to keep its bench-

mark refinancing rate at 3 percent.

The ministry also called for an economic environment that would allow for stable exchange rates, although it said it was not calling for target zones for exchange rates among the dollar, euro and yen.

"The government will continue its efforts on the international level with the goal of strengthening real economic convergence and thus exchange-rate stability," the ministry said.

The turnaround comes a week after Finance Minister Oskar Lafontaine said a foreign-exchange system for the world's three main currencies should be considered to reduce instability in currency markets.

According to the economic outlook, target currency rates probably will not be needed in 1999 because the euro is expected to vary little from its current levels against other major

currencies. If anything, the euro is likely to strengthen slightly against the dollar, the government said.

"As regards exchange-rate relationships, no fundamental swings are assumed," the report said. "The exchange rate of the euro to the U.S. dollar could, over the course of the year, actually develop in favor of the new European currency."

The idea of currency controls has received a cool reception from other G-7 countries, particularly the United States.

Germany's Finance Ministry also said it expected the country's economy to grow 2 percent this year, slowing from 2.8 percent growth in 1998. It said it expected the unemployment rate to fall less than one percentage point this year. The seasonally adjusted jobless rate was 10.8 percent in December.

Consumer spending is expected to

rise 2.5 percent in 1999 after increasing 1.7 percent last year, as the domestic economy strengthens and becomes less dependent on the export market. Imports are expected to grow 3.5 percent or 4 percent while export growth slips to between 3 percent and 4 percent, compared with 5.9 percent in 1998 and 11.1 percent in 1997.

The government said it was concerned about the prospect of deflation as the inflation rate continued to decline. "The goal of price stability has been achieved for now and the foreseeable future," the report said. "Declining inflation rates reaching the point of near stability and partially falling individual prices are not the same as deflation but nevertheless a reason for careful monitoring and for appropriate response from all sides."

(Bloomberg, Reuters)

Usinor Sets Job Cuts And Charge

Compiled by Our Staff From Dispatches

PARIS — Usinor SA said Wednesday it would make a charge of 1.2 billion French francs (\$211.7 million) against its 1998 income to pay for restructuring that would include "significant" job cuts and the sale of a number of its business units.

The three-year plan, approved by the supervisory board Tuesday and due to start July 1, could save the company between 500 million and 1 billion francs a year, said Robert Hudry, Usinor's finance director. He said most of the job cuts would be among white collar staff.

Usinor plans to realign its operations by products and regions, creating divisions under the names of subsidiary companies that make products and sell services. For example, it said, "several companies" will be made of its Sollac unit, which makes steel for car doors and washing machines.

Steelmakers are trying to cut costs after economic troubles in Asia cut demand and sent steel prices in Europe down 40 percent in the past year. Usinor also is restructuring before acquiring a Belgian rival, Cockerill Sambre SA, a move that would create Europe's largest steel company.

"This is a very positive development, although it's very much about enhancing performance in the medium term rather than big changes tomorrow," said Terence Sinclair, an analyst at Salomon Smith Barney in London.

Usinor shares closed at 10.70 euros (\$12.39) on the Paris Bourse, up 48 cents. (Reuters, Bloomberg)

Britain's Trade Deficit Swells as Imports Jump

Bloomberg News

LONDON — Britain's trade deficit widened to £2.18 billion (\$3.62 billion) in November from £1.64 billion in October as imports surged, the Office for National Statistics said Wednesday.

The shortfall reflects the impact of the strong pound, which makes British exports less competitive while making imports relatively affordable. The statistics office said total imports rose 3.4 percent and exports declined 0.3 percent in November.

Excluding oil and volatile categories such as aircraft and precious stones, imports rose 3.7 percent.

The office cited a surge in the volume of imported electrical appliances, mostly from North America and elsewhere outside the European Union.

P&G's Russian Plant Buys Land

Reuters

MOSCOW — The Russian plant of the U.S. consumer-goods maker Procter & Gamble Co. has bought the ground it stands on, the company said Wednesday.

Andrei Badr, a spokesman for P&G, said Novomoskovskiy, which makes washing powder and feminine hygiene products for the Russian market, had bought 40.5 hectares (100 acres) underneath the plant last August for 16 million rubles (\$700,000 at current rates, or \$1.7 million at the end of August).

The purchase is unusual in Russia, where the sale of land is still largely illegal. However, the law exclusively allows the sale of land that lies under privatized factories.

This deal was made in accordance with a presidential decree and orders of the governor of the Tula region, about 200 kilometers (125 miles) south of Moscow, where the factory is located.

P&G has a controlling interest in the plant, although Mr. Badr declined to give the exact size of the stake. P&G invested \$50 million over five years in refurbishing the factory after winning a tender for a 14 percent stake.

Mr. Badr said the plant was P&G's only one in Russia and that further investment in the country would depend on economic conditions.

He declined to say why the purchase was made at that time but said the move was part of P&G's "long-term commitment to the Russian market."

■ **Russia Proposes Free-Trade Zones**

Russia said it may give Chinese companies customs breaks and proposed setting up free-trade zones on the Chinese-Russian border as it tries to revive commercial links that have withered in recent years, Bloomberg News reported.

Russia's trade minister, Georgi Gabunia, will fly to China on Monday to discuss the plans.

WORLD STOCK MARKETS

Wednesday, Jan. 27

Prices in local currencies. In euros for EMU countries.

Telecoms

High Low Close Prev.

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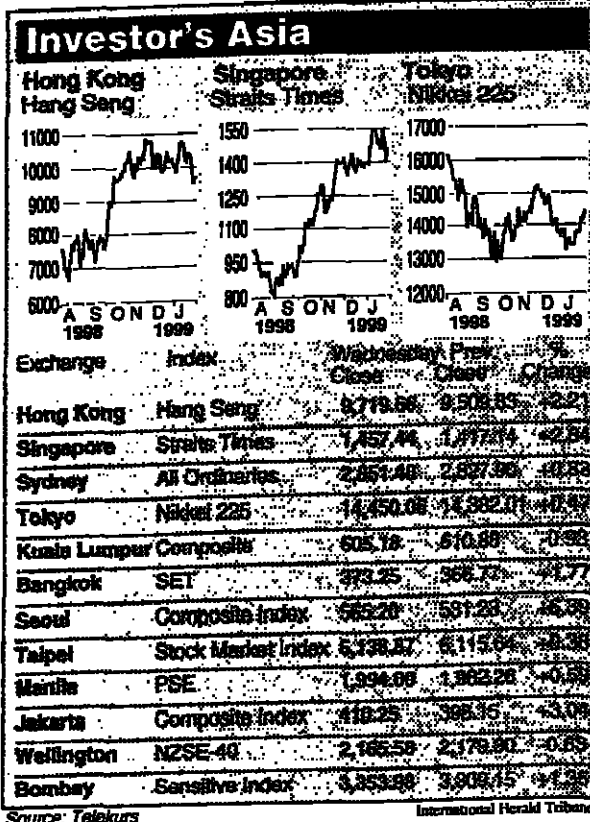
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ASIA/PACIFIC



Very briefly:

- Siam Cement PCL, Thailand's largest industrial conglomerate, plans to sell as much as \$50 billion (฿1.36 billion) of securities in its first bond sale. The debentures will be non-convertible and will have a maximum maturity of 20 years.
- Kookmin Bank, South Korea's second-largest commercial bank, said its profit fell 30 percent last year, to 73.4 billion won (\$62.5 million) from 104.4 billion won in 1997, when bad loans soared in a shrinking economy.
- Japan Tobacco Inc., the nation's only tobacco company, said it would buy Asahi Chemical Industry Co.'s food business for as much as 30 billion yen (\$264 million) on July 1 as part of a move to broaden its revenue base.
- Bankers Trust Co., the agent for Hanbo Steel Co.'s creditor banks, received an offer of as much as \$650 million from a Wall Street consortium to take over the bankrupt South Korean company.
- Li Ka-shing, a Hong Kong tycoon, urged the government to resume land sales, saying a prolonged freeze would further harm the territory's competitiveness.
- Vietnam's industrial output has risen 13.6 percent this month from a year earlier, to 13.601 trillion dong (\$9.8 billion).
- Singapore Telecommunications Ltd. is cutting rates on its high-speed data and voice networks by 40 percent, looking to lock in customers before Singapore's phone market opens to competition next year.

Beijing Tries to Spread Calm

Bank Chief Rejects Devaluation and Predicts Growth

BEIJING — The governor of the central bank tried to calm financial markets Wednesday, reiterating that China did not plan to devalue its currency and saying that robust economic growth would continue this year.

"There are no benefits to devaluation," said the official, Dai Xianglong, attempting to counter renewed speculation that a devaluation was imminent.

"It would hurt foreign investors and increase the foreign debt burden of China, and it is not conducive to the stability of the financial sector," he said.

Hints of a devaluation in the official China Daily's business weekly edition on Sunday, from which the central bank later distanced itself, sent financial markets into turmoil early this week.

But Mr. Dai said China's sound economy and a favorable balance of payments had laid a solid foundation for keeping the yuan stable.

He said the economy would grow 7 percent this year — down from 7.8 percent in 1998 but still strong, given the weakness of many of China's neighbors.

Last year, China failed to reach its target of 8

percent growth, mainly because the regional financial crisis reduced Chinese exports, a traditional engine of expansion.

Yukon Huang, the World Bank's mission chief in China, said the estimate of 7 percent growth was credible.

"A low range would be somewhere in the 4 percent range and a high range might be somewhere around 9, but 7 percent is probably right on the mark," he said.

The Hang Seng index of Hong Kong shares rose 2.21 percent, to 9,719.66 points, with the index of "red chips," or shares of Hong Kong subsidiaries of Chinese companies, up nearly 5 percent.

The speech gave some comfort to the market following fears that China might change its currency policy," Raymond Jook, an analyst at SG Securities, said of Mr. Dai's remarks.

On another issue of concern to foreign investors, Mr. Dai confirmed that Chinese authorities had begun formulating a restructuring plan for the country's remaining 239 international trust and investment companies, many of which face financial difficulties.

But he provided few details, refusing to say whether the government would shut the majority



The central bank chief, Dai Xianglong, left, and Zhao Qizheng, a cabinet spokesman, at a news conference Wednesday.

of those companies, as has been speculated. Guangdong International Trust & Investment Corp., or GITIC, was closed in October and filed for bankruptcy this month.

Separately, the central bank said it was easing a restriction on foreign banks by allowing them to operate in all major cities of China. The central bank did not say when the change would take effect nor to what extent foreign banks would be allowed to do business in yuan.

(AP, Reuters, Bridge News)

Sony Posts Profit, but Sales Weaken

TOKYO — Sony Corp. said Wednesday that its profit inched up in the third quarter but only because of a one-time gain. Sales fell as the electronics business ran into trouble and the yen surged.

"In electronics, intensified price competition, lower sales and the impact of production decreases caused sales and operating income to significantly decline," Sony said.

Audio electronics and television sales in particularly slidded lower, although digital cameras and video players sold well.

Group pretax profit rose 8.3 percent in the three months to December from a year earlier to hit 232 billion yen (\$2.04 billion), Sony said. Net profit was up 1.8 percent at 112.3 billion yen, but revenue in the quarter slipped 3.2 percent to 1.95 trillion yen.

"Our electronic sales were down over 30 percent in central and south America, and by over 30 percent in China, while sales in eastern Europe, including Russia, were nearly halved," said Sony vice president Morimoto, a Sony vice president.

"The situation in Brazil is deteriorating further, and I am very concerned about prospects in this country."

Sony was also hurt by weak results in the film division. But Sony was helped by good home video sales, particularly of the film "The Mask of Zorro," and strong music sales, with hit releases from Mariah Carey, Celine Dion and George Michael.

Profits were up, despite the fall-off in sales, only because Sony took a gain on securities it moved to a staff retirement trust.

Sony's forecast for the full year, which ends in March, was little changed. Pretax profit will be 360 billion yen, a 21 percent fall from the previous year, it said. Net profit is expected to be 160 billion yen, slightly down from the latest forecast and a 28 percent fall from a year earlier.

Tokyo Denies New Forecast

Compiled by Our Staff From Dispatches

TOKYO — Japan's top economic planner denied reports Wednesday that he had predicted the economy would shrink by even more than expected in the current fiscal year.

The Nihon Keizai Shimbun quoted the official, Tetsui Sakaiya, as saying he predicted that Japan's gross domestic product would contract 2.4 percent for the year, which ends in March. The government has predicted a contraction of 2.2 percent.

But on Wednesday, Mr. Sakaiya denied that he had changed his outlook. He told the Diet's budget committee that he also stood by the forecast that the Japanese economy would grow 0.5 percent next year.

(AFP, Bloomberg)

Singapore Urged to Get Competitive

Bloomberg News

SINGAPORE — Jan Kalff, chairman of ABN-AMRO Bank NV, and other top industry executives delivered a "blunt" message to Singapore's financial regulators Wednesday: Open up to more foreign competition or risk losing out to Hong Kong, New York and London.

Manice Greenberg, chairman of American International Group Inc., and Yoh Kurosawa, chairman of Industrial Bank of Japan, also traveled to the Southeast Asian nation to advise the central bank on keeping pace with the fast-changing world of banking and finance.

During the past year, Singapore has unveiled a series of measures to invigorate its finance and banking industry.

The government has freed billions of dollars of public money for management by international fund managers. It has also spearheaded the merger of the country's stock

pete effectively with centers like Hong Kong, let alone London and New York.

ABN-AMRO is the Netherlands' largest bank in terms of assets. Its Asian headquarters are in Singapore, but it operates just one domestic bank branch there.

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and financial futures exchanges.

Still, some members of the panel urged Singapore to speed the opening of its financial markets and spend less effort on protecting its domestic banks from foreign competition, Mr. Kalff said.

Mr. Kalff said Singapore would eventually create a financial market that was "completely open and free," although he said he did not expect it to happen soon.

For example, he said, banks such as ABN-AMRO and Citigroup Inc. will eventually be welcomed into the Singapore banks' automated teller networks and similar systems that allow retail customers to make electronic card payments.

"They are absolutely ready to allow that," he said. "But not immediately. They want to allow the local banks time to adapt, and that will probably take a couple of years."

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January 27, 1999
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Foreign Investors Are Warily Returning to Asia

Nicholas Reitenbach says it is. He is the president of Pinnacle International Management in New York and manager of the Reserve International

Currently, he has invested 10 percent of the assets he manages — both for Reserve International and for private clients such as university endowments, pension funds and rich families — in Hong Kong and 7

A portfolio that has 75 percent of its assets in Europe and just 21 percent in Asia may not sound daring. But with most U.S. money managers scared to death of anything Asian, Mr. Reitenbach has taken a bold step. At the end of 1998, Hong Kong was his fourth-largest holding — only slightly behind the Netherlands, France and Switzerland and ahead of Britain and Germany.

Now, Mr. Whitmore likes property companies and banks in Hong Kong, Singapore, South Korea and Thailand, but he warns that "the recovery story in 1999 is going to be mixed across the region from country to country and from company to company."

—JAMES K. GLASSMAN

The undersigned announces that as from 6 November, 1998 at Kas-Associatie N.V., Spuibastuut 172, Amsterdam, div. op. no. 53 of the CDR's Marks & Spencer plc. will be payable with Dfls. 8,77 per CDR. repr. 25 shares (= final dividend for the year ending 31.03.98 of 10,7p per share) Tax-credit Pst. 0,668 - Dfls. 2,18 per CDR. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.

AMSTERDAM DEPOSITORY COMPANY N.V.
Amsterdam, October 30, 1998

Joint Global Coordinator
Banca d'Intermediazione Mobiliare IMI S.p.A.

Following this transaction, Giovanni Agnelli e C. S.p.A. and its subsidiaries will own 90.9% of the outstanding ordinary capital stock and 87% of the outstanding preferred capital stock of Exor Group.

• **Japan General Finance Co.**, an affiliate of Sumitomo Bank Ltd., said it would sell Japan's first euro-denominated asset-backed security Friday. Japan General, 5 percent owned by Sumitomo Bank, will sell

• **The European Union's commissioner for internal markets, Mario Monti, wants to levy a 20 percent withholding tax on Eurobond interest payments, part of a plan designed to**

• A former manager of the Piper Jaffray Institutional Government Income Portfolio fund, Worth Bruntjen, was barred from the securities industry for five years and ordered to pay \$100,000 in a settlement with the U.S. Securities and Exchange Commission. Mr. Bruntjen, 62, had been accused of violating federal securities laws in connection with investments he made for the fund and disclosures he made about the safety of investing in it from 1992 to at least April 1994, the SEC said. (Reuters, Bloomberg, AP)

January 27, 1999

[illegible][illegible]

NASDAQ

Wednesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|-----------|----|-----|------|--------|--------|--------|--------|
| IBM | | | 15.0 | 110.00 | 109.00 | 109.50 | 109.50 |
| Microsoft | | | 25.0 | 60.00 | 59.00 | 59.50 | 59.50 |
| Apple | | | 20.0 | 40.00 | 39.00 | 39.50 | 39.50 |
| Oracle | | | 18.0 | 30.00 | 29.00 | 29.50 | 29.50 |
| Sun | | | 16.0 | 25.00 | 24.00 | 24.50 | 24.50 |
| HP | | | 14.0 | 20.00 | 19.00 | 19.50 | 19.50 |
| Intel | | | 12.0 | 15.00 | 14.00 | 14.50 | 14.50 |
| Motorola | | | 10.0 | 12.00 | 11.00 | 11.50 | 11.50 |
| Verizon | | | 8.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| AT&T | | | 7.0 | 8.00 | 7.00 | 7.50 | 7.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|-------|-------|-------|
| Amazon | | | 10.0 | 15.00 | 14.00 | 14.50 | 14.50 |
| Alibaba | | | 8.0 | 12.00 | 11.00 | 11.50 | 11.50 |
| Google | | | 6.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Facebook | | | 5.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Twitter | | | 4.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| LinkedIn | | | 3.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| Slack | | | 2.0 | 3.00 | 2.00 | 2.50 | 2.50 |
| Zoom | | | 1.0 | 2.00 | 1.00 | 1.50 | 1.50 |
| Dropbox | | | 0.5 | 1.00 | 0.50 | 0.75 | 0.75 |
| Evernote | | | 0.2 | 0.50 | 0.20 | 0.30 | 0.30 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|------------|----|-----|------|-------|------|------|-------|
| Netflix | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Spotify | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| SoundCloud | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| Bandcamp | | | 8.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| SoundCloud | | | 6.0 | 3.00 | 2.00 | 2.50 | 2.50 |
| Bandcamp | | | 4.0 | 2.00 | 1.00 | 1.50 | 1.50 |
| SoundCloud | | | 2.0 | 1.00 | 0.50 | 0.75 | 0.75 |
| Bandcamp | | | 1.0 | 0.50 | 0.20 | 0.30 | 0.30 |
| SoundCloud | | | 0.5 | 0.20 | 0.10 | 0.15 | 0.15 |
| Bandcamp | | | 0.2 | 0.10 | 0.05 | 0.07 | 0.07 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|-------|-------|-------|
| Twitter | | | 10.0 | 15.00 | 14.00 | 14.50 | 14.50 |
| LinkedIn | | | 8.0 | 12.00 | 11.00 | 11.50 | 11.50 |
| Slack | | | 6.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Zoom | | | 4.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Dropbox | | | 2.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| Evernote | | | 1.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| Twitter | | | 0.5 | 3.00 | 2.00 | 2.50 | 2.50 |
| LinkedIn | | | 0.2 | 2.00 | 1.00 | 1.50 | 1.50 |
| Slack | | | 0.1 | 1.00 | 0.50 | 0.75 | 0.75 |
| Zoom | | | 0.05 | 0.50 | 0.20 | 0.30 | 0.30 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|------|------|-------|
| Dropbox | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Evernote | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Twitter | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| LinkedIn | | | 8.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| Slack | | | 6.0 | 3.00 | 2.00 | 2.50 | 2.50 |
| Zoom | | | 4.0 | 2.00 | 1.00 | 1.50 | 1.50 |
| Dropbox | | | 2.0 | 1.00 | 0.50 | 0.75 | 0.75 |
| Evernote | | | 1.0 | 0.50 | 0.20 | 0.30 | 0.30 |
| Twitter | | | 0.5 | 0.20 | 0.10 | 0.15 | 0.15 |
| LinkedIn | | | 0.2 | 0.10 | 0.05 | 0.07 | 0.07 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|------|------|-------|
| Slack | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Zoom | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Dropbox | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| Evernote | | | 8.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| Twitter | | | 6.0 | 3.00 | 2.00 | 2.50 | 2.50 |
| LinkedIn | | | 4.0 | 2.00 | 1.00 | 1.50 | 1.50 |
| Slack | | | 2.0 | 1.00 | 0.50 | 0.75 | 0.75 |
| Zoom | | | 1.0 | 0.50 | 0.20 | 0.30 | 0.30 |
| Dropbox | | | 0.5 | 0.20 | 0.10 | 0.15 | 0.15 |
| Evernote | | | 0.2 | 0.10 | 0.05 | 0.07 | 0.07 |

AMEX

Wednesday's 4 P.M. Close
The 100 most traded stocks of the day
up to the closing on Wall Street.
The Associated Press.

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|-----------|----|-----|------|--------|--------|--------|--------|
| IBM | | | 15.0 | 110.00 | 109.00 | 109.50 | 109.50 |
| Microsoft | | | 25.0 | 60.00 | 59.00 | 59.50 | 59.50 |
| Apple | | | 20.0 | 40.00 | 39.00 | 39.50 | 39.50 |
| Oracle | | | 18.0 | 30.00 | 29.00 | 29.50 | 29.50 |
| Sun | | | 16.0 | 25.00 | 24.00 | 24.50 | 24.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|-------|-------|-------|
| Amazon | | | 10.0 | 15.00 | 14.00 | 14.50 | 14.50 |
| Alibaba | | | 8.0 | 12.00 | 11.00 | 11.50 | 11.50 |
| Google | | | 6.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Facebook | | | 5.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Twitter | | | 4.0 | 6.00 | 5.00 | 5.50 | 5.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|------------|----|-----|------|-------|------|------|-------|
| Netflix | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Spotify | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| SoundCloud | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| Bandcamp | | | 8.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| SoundCloud | | | 6.0 | 3.00 | 2.00 | 2.50 | 2.50 |

NYSE

Wednesday's 4 P.M. Close
(Continued)

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|-----------|----|-----|------|--------|--------|--------|--------|
| IBM | | | 15.0 | 110.00 | 109.00 | 109.50 | 109.50 |
| Microsoft | | | 25.0 | 60.00 | 59.00 | 59.50 | 59.50 |
| Apple | | | 20.0 | 40.00 | 39.00 | 39.50 | 39.50 |
| Oracle | | | 18.0 | 30.00 | 29.00 | 29.50 | 29.50 |
| Sun | | | 16.0 | 25.00 | 24.00 | 24.50 | 24.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|-------|-------|-------|
| Amazon | | | 10.0 | 15.00 | 14.00 | 14.50 | 14.50 |
| Alibaba | | | 8.0 | 12.00 | 11.00 | 11.50 | 11.50 |
| Google | | | 6.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Facebook | | | 5.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Twitter | | | 4.0 | 6.00 | 5.00 | 5.50 | 5.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|------------|----|-----|------|-------|------|------|-------|
| Netflix | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Spotify | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| SoundCloud | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| Bandcamp | | | 8.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| SoundCloud | | | 6.0 | 3.00 | 2.00 | 2.50 | 2.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|-------|-------|-------|
| Twitter | | | 10.0 | 15.00 | 14.00 | 14.50 | 14.50 |
| LinkedIn | | | 8.0 | 12.00 | 11.00 | 11.50 | 11.50 |
| Slack | | | 6.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Zoom | | | 4.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Dropbox | | | 2.0 | 6.00 | 5.00 | 5.50 | 5.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|------|------|-------|
| Dropbox | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Evernote | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Twitter | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
| LinkedIn | | | 8.0 | 4.00 | 3.00 | 3.50 | 3.50 |
| Slack | | | 6.0 | 3.00 | 2.00 | 2.50 | 2.50 |

| Stock | Dr | Yld | PE | High | Low | Open | Close |
|----------|----|-----|------|-------|------|------|-------|
| Slack | | | 15.0 | 10.00 | 9.00 | 9.50 | 9.50 |
| Zoom | | | 12.0 | 8.00 | 7.00 | 7.50 | 7.50 |
| Dropbox | | | 10.0 | 6.00 | 5.00 | 5.50 | 5.50 |
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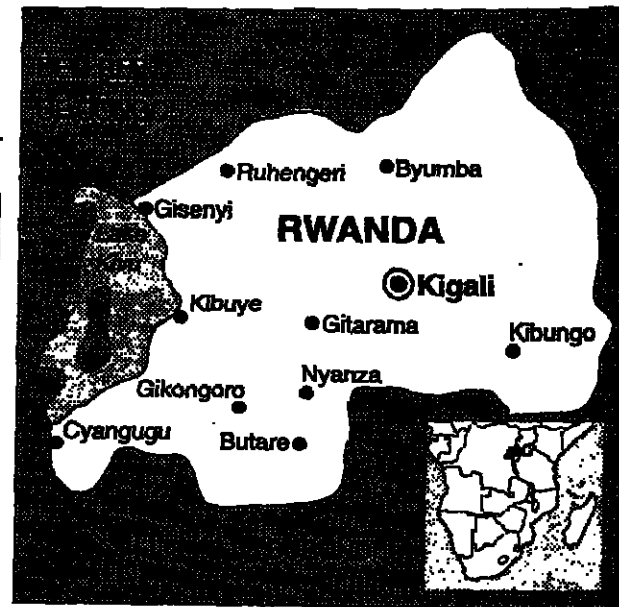
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RWANDA

Rejoining the international community: Rwanda is on its way to recovery after one of the most devastating civil wars of the decade and, indeed, of the century. Through a concerted program of international aid and domestic restructuring, Rwanda is rebuilding its political, economic and human resources. Thanks to a return to stability, a favorable and transparent business environment, encouraging growth rates and significant incentives, it is slowly becoming an attractive destination for international investment.



AT A GLANCE

Official name: Republic of Rwanda
Population: 8 million
Capital: Kigali
Area: 26,338 square kilometers
Languages: Rwanda, English and French widely spoken
Currency: Rwanda franc (\$1 = 325 Rwanda francs)
GDP (1998): \$1.9 billion
GDP growth (1998): 9 percent
Inflation (1998): 7 percent
Exports (1998): \$82.1 million
Imports (1998): \$326 million
Total external debt: \$1.2 billion
Main economic activity: Agriculture
Main exports: Coffee and tea
Per capita income: \$240
Life expectancy: 42 years
Government Web site: www.rwandemb.org

Sources: World Bank, United Nations, Ministry of Finance and Economic Planning.

THE WILL TO REBUILD THE NATION

In just five years, Rwanda has achieved a remarkable revival of its economic, political and social fabric.

Rwanda, the landlocked East African country that was devastated by civil war, genocide and economic collapse during the early 1990s, is undergoing a political, social and economic comeback that has surprised international officials.

The government literally started from scratch five years ago to forge a new country from the ashes of complete devastation," says R. Venkateswaran, World Bank resident representative, as he recounts the economic and social impact of the genocide that resulted in the deaths of an estimated one million people in 1994. "What they have achieved is a remarkable revival of the economy."

The humanitarian situation in Africa's most densely populated nation was further exacerbated in the mid-1990s by the

Production output has increased to 85 percent of prewar capacity, and hundreds of bilateral and multilateral development programs are under way in areas ranging from health and housing to agriculture and education.

Rwanda is also in the midst of a three-year structural adjustment program overseen by the International Monetary Fund, the European Union, the World Bank, the African Development Bank and other international lending organizations. Indeed, there has been a renaissance of sorts in some business sectors.

"We had to restore a banking network and staff that was almost completely destroyed," says John Maddler, general manager of the Commercial Bank of Rwanda. "We installed technology in two years that took 15 years to implement in Belgium."



Moving toward a long-term development program.

Sustainable development
The country's current challenge is to move toward a long-term development program that maintains macroeconomic stability, economic competitiveness and export growth while coping with the wide array of social problems and promoting a gradual return to democracy.

"Our optimistic scenario is that Rwanda will continue rebuilding its human resource capacity and move from emergency-type aid to sustainable development programs," says Stephen Browne, the United Nations' resident coordinator in Kigali. "But some factors, like the war in the Congo and coffee prices on export markets, may be beyond the government's control."

Rwanda, which is supporting rebels fighting against the government in the Democratic Republic of Congo, also has to cope with anti-government factions active in the northwestern part of the country. In addition, the war crimes trials that are under way demand a difficult and delicate balance of national unity, human rights and justice.

"Security is paramount, and without it no other reforms can be addressed with any seriousness," says Vice President Kagame. "We are creating meaningful change, but all of our reforms will move at a pace dictated by our history and the facts on the ground — not external forces or demands."

Yet following the incomparable horror of the genocide, most Rwandans contemplate a difficult but manageable future.

"Our task is staggering but not impossible," says Aloysie Inyamba, the minister for social affairs.

"More savage wars have been fought in Europe, but today there is a European Union." ●



Major General Paul Kagame, Rwanda's vice president and minister of defense.



U.S. President Bill Clinton with Rwandan President Pasteur Bizimungu at Kigali airport during President Clinton's historic visit to the country in March 1998.

RESTORING JUSTICE, STABILITY, UNITY AND CONFIDENCE

An interview with President Pasteur Bizimungu.

The Rwandan Government of National Unity, led by President Pasteur Bizimungu, is considered stable and forward-looking by most international observers. "Security, refugee resettlement, social development, international aid, genocide trials and other important issues seem to be in competent hands," says a high-ranking diplomat at a Western embassy. "Things are 100 percent better than five years ago."

How stable is Rwanda from a social and economic perspective?

A number of economic and social indices reflect the stability of Rwanda today. Seventy-five percent of the infrastructure has been rebuilt, agricultural production is nearing prewar levels and inflation is down to about 5 percent. We've restored confidence, as well as justice and security, and people are working again because they feel that long-lasting unity and reconciliation can be achieved.

What type of assistance do you now expect from the international community?

We started at zero five years ago, and substantial aid has come from a large number of countries, multilateral organizations and international financial institutions. We are grateful to all of the donors who have helped us and are optimistic that their assistance will continue because our situation is still extremely difficult and we still need support. Our economic programs, along with the structural measures we have carried out in collaboration with the IMF and World Bank, are indicators that aid has been beneficial to our economy. In addition, we have taken steps in conjunction with donors to ensure aid is used efficiently for the people of Rwanda.

How do you reply to concerns about the status of human rights and democracy in Rwanda?

The genocide was the ultimate violation of human rights. The fact that we have prevented revenge killings and that 4 million refugees have returned to Rwanda seems to indicate that human rights are acceptable here. The divisions caused by genocide are being overcome. People are once again living in mixed villages, and war crimes trials are being conducted in a fair and impartial manner. With stability and institutions now in place, we have announced that local elections will take place in April and launch a participatory democracy that will include all factions of society. We hope this produces a further sentiment of reconciliation.

What role would you like Rwanda to play in this part of Africa?

We supplied refugees to our neighbors for four decades, and resettling them at home has helped stabilize the region. We look forward to joining the East African Cooperation Association and supporting further regional economic integration when we become a member later this year. The unrest we have had in the northwestern part of Rwanda and our involvement in the Congo are due to a violation of our sovereignty. We are dealing with the threat militarily while giving our full attention to possible diplomatic solutions.

Where would you like the country to be in five years?

I hope our people will be even more unified and that there will never again be a period when they are manipulated against each other for their own destruction. ●

FIRST CHALLENGE: FORGING A FREE-MARKET ECONOMY

Structural changes drive economic development.

Rwanda's minister of finance and economic planning, Donald Kaberuka, does not attempt to camouflage the problems and pitfalls plaguing his recovering country.

"Sometimes I'm scared by the enormous challenges and tasks we face," says Mr. Kaberuka, a British-trained, 48-year-old economist. "It's like building a house. You fix a window and the roof starts to leak."

Mr. Kaberuka, who is widely credited by the local and international community for initiating many of the economic reforms that have helped Rwanda back on the route to growth, routinely mentions the legacies inherited by the Government of National Unity almost five years ago.

"We're picking up the pieces of 33 years of bad government, which ultimately sanctioned genocide and created a huge hole in our human resources development," the minister continues. "The former state-dominated economy also made poverty a structural fact and rendered us too dependent on foreign aid."

He adds: "The present objective of the Ministry of Finance and Economic Planning is to consolidate recent economic gains by further reducing inflation this year to below 5 percent while attaining a real GDP growth of 8 percent. The government's longer-term objective is to embark on sustainable growth while pursuing poverty reduction, modernizing the rural sector and promoting human resource development. To achieve this, structural changes are forcing the deeply indebted nation to tighten its belt."

"Our social, reconstruction and reintegration needs remain immense, but Rwandans must realize that international generosity is over and that aid levels are now falling," Mr. Kaberuka says. "The many competing demands for funds have to be financed with very tight resources."

Clear communications

In a rare move in an African country, the minister recently circulated a document to the

The government's longer-term objective is to embark on sustainable growth while pursuing poverty reduction, modernizing the rural sector and promoting human resource development.

"This open policy will hopefully provide an understanding of the programs and priorities necessary for prolonged growth through fiscal prudence," Mr. Kaberuka says, noting that 1999's budget of \$53 million includes \$22 million allocated to development. "Our national recurrent budget must be self-financing and external borrowing used only to finance development expenditure."

The government has even looked 20 years into the future.

"To avoid the mistakes of the past we are going beyond short-term stabilization strategies and growth-stimulating policies to define a long-term strategy to 2020, when the population of Rwanda will have doubled," the minister concludes, describing the work of the Rwanda Planning Commission. "Our transition from a lethargic state-controlled system to a liberal economy, in which the state creates the proper social and economic institutions and the right conditions for growth, is rooted purely in our unique experience. We're proceeding without any dogma." ●

WORKING WITH THE INTERNATIONAL COMMUNITY

One of a visitor's first impressions on arrival in Rwanda is the large number of utility vehicles bearing logos of international, multilateral and bilateral aid organizations. These are the most obvious signs of some \$2 billion in aid financing, about \$800 million of it provided by United Nations agencies, which has been allocated to Rwanda and refugee camps in neighboring countries since 1994.

"You name it and we're doing it," says Stephen Browne, the United Nations resident coordinator in Kigali as he enumerates an array of UN projects under way in agriculture, education, food security, governance, housing, health, justice and other areas.

Aid projects involve every aspect of life in Rwanda. The African Development Bank, European Union and World Bank, for example, are providing about \$100 million over a three-year period to build roads. Dozens of countries, led by the Netherlands and United Kingdom, have also allocated significant amounts of bilateral aid to specific areas, like the judiciary sector or the construction of schools and clinics.

In addition, international financial institutions have been involved in the development of economic reform programs in conjunction with the government.

Emergency and humanitarian aid

mechanisms are gradually being complemented by a more coordinated and longer-term approach to sustainable development.

"The generous support of the international community has enabled the government to progress satisfactorily and now concentrate on development programs to improve the productive sectors of the economy," says R. Venkateswaran, the World Bank resident representative, as he details a three-year Enhanced Structural Adjustment Facility (ESAF) program based upon a framework agreed with the IMF and World Bank last June.

Identifying needs

Next week, from Feb. 2 to 5, the government will outline its strategy in education, food security and private sector development at a review meeting with donors. Representatives at the conference, organized in conjunction with the United Nations Development Program (UNDP), include 20 donor countries, ranging from Australia and Japan to Sweden and Switzerland; 12 multilateral organizations, like the European Union and numerous U.N. agencies; and four international non-governmental organizations, such as Oxfam and CARE.

"We want to identify unmet needs which have been formulated in conjunction with the government and local communities in these sectors and help establish priorities to be supported by international partners," explains Mr. Browne. He notes that representatives will have an opportunity to visit and assess projects throughout the country.

National priorities

"The need to improve aid coordination and create an optimal allocation of resources is obvious to all development partners," says Minister of Finance and Economic Planning Donald Kaberuka, whose ministry now has a development committee responsible for screening programs and centralizing projects. "Rather than asking for financial pledges, we are trying to articulate national priorities, create a more effective interface with donor agencies and better identify, select and monitor programs and projects."

Meanwhile, as Rwanda recovers from the ravages of war, international and bilateral donors have been constantly encouraged not to forget the horror that produced this debacle.

"We did not act quickly enough after the killing began," U.S. President Bill Clinton admitted during his visit to Kigali. "We cannot change the past. But we can and must do everything in our power to help Rwanda build a future without fear, and full of hope."

"RWANDA" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by the Ministry of Finance and Economic Planning of Rwanda.

WRITER: Joel Stratte-McClure, based in the South of France and reporting from Kigali.

PROGRAM DIRECTOR: Bill Mahler.

RWANDA



STABLE BUSINESS ENVIRONMENT DRAWS INVESTORS

The past 18 months have seen a significant increase in foreign investment in the country.

Some of the longest-established foreign investors in Rwanda include Heineken, which arrived in the country 40 years ago, and Tea Importers Inc. of the United States, which has had a stake in a tea plantation and processing facility since 1975. But Rwanda's recent economic recovery, has prompted a number of lesser-known multinational firms to actively invest in telecommunications, sugar manufacturing, medical care and other sectors during the past 18 months.

Rapid takeoff

MTN Rwandacell, which is 27 percent owned by MTN, a South African mobile telephony company with a pan-African expansion strategy, has successfully brought cellular telephony to the country during the past six months.

"Rwanda has a stable economy and an encouraging growth rate," says MTN Rwandacell's chief executive officer, François du Plessis, as he describes the rapid take-off of business amidst a crowd of mobile telephone users at the local American Club. "Our clients range from businessmen, diplomats and government officials to taxi drivers and street vendors."

Investing in the future

Not far from the MTN Rwandacell offices in Telecom House on Boulevard de l'Umuganda is the 100-bed Netcare-King Faycal Hospital.

After being destroyed during the genocide, the hospital was reopened by the government but lacked necessary medical practitioners and staff until Netcare International, a division of South Africa's Network Healthcare Holdings, assumed the management contract and took a 35 percent stake in the business.

"We wanted to invest in consultation, health-care facility management and medical expertise rather than in the physical assets of bricks and mortar," explains Netcare's chief executive officer, Jack Shevel, noting that \$1 million was spent on renovating the facility and another \$2 million for new equipment, including a CT scanner, which takes x-ray images of the heart. "We also wanted to empower our African medical colleagues to improve their health-care offerings through transfer of skills."

And just outside Kigali, Uganda's Madhavi Group, which took over a sugar works factory employing 200 people in September 1997, is beginning production this month following the harvest of its first sugarcane crop.

Financial incentives

In an effort to attract increased international business, the Rwanda Investment Promotion Task Force has implemented a number of tax, fiscal and administrative incentive packages. The government, which will introduce a value-added tax next January, has also instituted the necessary reforms to provide uniform rules on market access, protect investments, provide transparency in operations and guarantee the repatriation of profits.

"Many foreign companies were reluctant to invest in Rwanda until they were assured that there was a stable government and a solid investment code," says a senior diplomat at one large foreign embassy. "Those conditions now exist, and the degree of uncertainty and risk is much less than in some neighboring nations."

The sectors considered interesting for foreign investors include energy production and conservation, agricultural processing industries, pharmaceutical and chemical industries, building materials, and tourism and telecommunications.

Naturally, some local industries that were highly protected in the past are having trouble making the transition to a period of competition.

"The key word for local industries is to try to improve efficiency rather than rely on protective tariffs," says Minister of Finance and Economic Planning Donald Kaberuka, noting that the economic recovery has created a boom in the construction field.

GOING PRIVATE: THE WIDE-RANGING DIVESTITURE PROGRAM GATHERS STEAM

Privatization affects sectors ranging from telecommunications and tourism to banking and energy.

The Rwandan government, as part of an economic reform program developed in conjunction with the International Monetary Fund and the World Bank, is in the midst of a corporate divestiture program launched in 1996. Privatization is impacting economic sectors ranging from tea, telecommunications and tourism to banking, energy, mining and manufacturing.

The government's stake in 64 companies has been put on the block, and to date 20 companies have been sold or liquidated. Among the most prominent sales, which brought the government about \$50 million in 1998, were 19 Petrorwanda gas service stations to Shell Uganda for \$2.1 million.

In addition, Uganda's Madhavi Group bought the Kabuga Sugar Factory. Netcare International, a division of South Africa's Network Healthcare Holdings, took a 35 percent stake in the Netcare-King Faycal Hospital, Rwanda's first-ever significant private health-care facility.

An American entrepreneur has signed a 15-year lease for the Kigeme Fisheries, and a Rwandan hotelier bought the

Kibuye Hotel on Lake Kivu. Meanwhile, a study by the World Bank regarding the regulatory framework for the country's telecommunications utility will enable Rwandatel, which is already known as a company that cuts off any subscriber who fails to pay the bill, to be put on the market later this year. A number of public companies, like Air Rwanda and the Caisse d'Epargne de Rwanda, are being liquidated.

Economic efficiency

"The goal is economic efficiency, which will create a conducive and competitive business environment for both local and foreign investors," says Vianney Shumbusho, national director of the privatization secretariat, noting that any companies interested in purchasing Rwandan firms must submit detailed investment plans. "We want to get the companies working again, create employment and generate future revenue through taxes."

Among the assets currently on the market are the government's stakes in nine tea factories and estates, two coffee estates, the national printing company, two fisheries, three



Tea plantations (top left), fisheries (top right) and hotels (above) are among the enterprises slated for privatization.

dairy plants, a mining company, a number of hotels and a brewery.

Utility companies and four commercial banks will be put on the market later this year.

"We expect larger multinationals to express an interest in the tea, telecommunications, mining and water businesses," says Mr. Shumbusho.

BANKING ON GOOD MANAGEMENT

Restructuring and state-of-the-art technology drive progress in the financial sector.

Rwanda is making an effort to restructure its banking and financial sector following the collapse of most institutions and the looting of the central bank during the civil war and genocide.

To accomplish the task, the International Monetary Fund developed a technical assistance program to rebuild and strengthen the National Bank of Rwanda, while plans were implemented to rehabilitate the commercial banking sector.

Doing what it takes

"The country had to create credibility and good management at every fiscal, monetary and institutional level to get the economy going and assure a continuation of foreign aid," says John Madder, general manager of the Commercial Bank of Rwanda (BCR), one of

the country's largest commercial banks. BCR — whose shareholders include Banque Bruxelles Lambert, Banque Nationale de Paris and Dresdner Bank — had its entire computing, accounting and branch network destroyed at the end of 1994.

It has since refurbished its headquarters in central Kigali, created a state-of-the-art computer banking network, reopened a number of branches and launched a massive training and educational campaign for its employees and customers.

"We lost many of our people during the early 1990s, and 80 percent of our middle and top management is completely new," Mr. Madder adds.

Independent audits

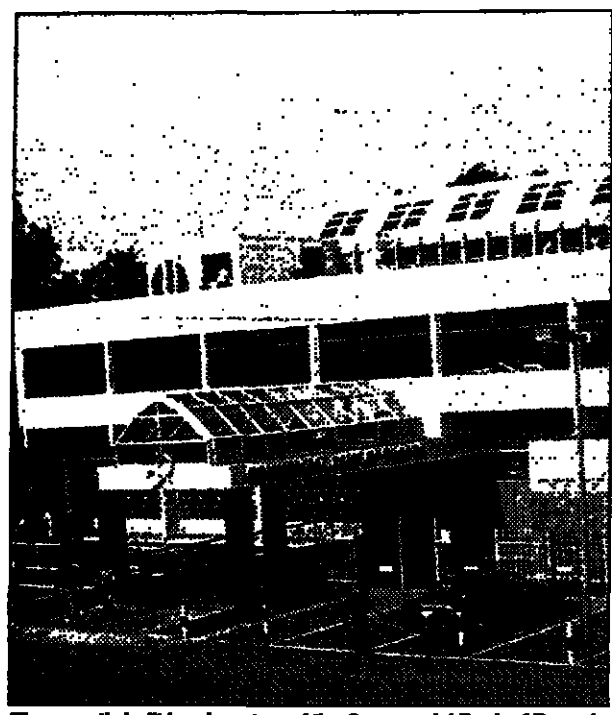
Part of the recovery plan for BCR and three other commercial banks operating

before 1994 — the Banque Continentale Africaine Rwanda (BACAR), the Banque de Kigali and the Banque Rwandaise de Développement (BRD) — included extensive independent audits.

The banks have recovered to the extent that the government is now preparing to sell its stakes in the institutions.

In addition, a number of fiscal bodies have been created in an effort to rectify a financial past replete with stories of mismanagement and corruption.

The Rwanda Revenue Authority was inaugurated last July to "maximize revenue collection," the National Tender Board was formed to promote "effective and efficient procurement," and an Auditor General's Office oversees "the judicious use of government budget resources."



The recently built headquarters of the Commercial Bank of Rwanda.

EDUCATION AT THE HEAD OF THE CLASS

Educational goals are linked to development needs.

Literacy in Rwanda stands at more than 50 percent, and almost half the population is under 15 years old. Yet there are only 2,000 primary schools, 300 secondary schools, one university and four advanced technical schools.

"Only 30 percent of our teachers today are qualified, we lack sufficient educational materials and there are serious problems with infrastructure and access to schools," says Education Minister Joseph Karemera, noting that educational inspectors and national examinations were created only last year.

The ministry, which is committed to attaining Universal Primary Education by 2005, has increased the number of children attending primary school from 63 percent in 1994 to 71 percent this year. But its budget, which has been raised from \$551 million in 1998 to \$630 million, must provide funds for everything from improved teacher training to scholarships abroad.

The Kigali Institute of Education, a training college with 300 students, opened this month, and 400 students were recently sent to India for technical training in various fields.

Developing skills

A great deal of importance is also being attached to local vocational, technical and scientific education. One of the most encouraging examples is the Kigali Institute of Science, Technology and Management (KIST), which was created almost overnight in a former military barracks in November 1997. KIST, which has 550 students and 40 professors, offers a program with degrees in environmental technologies, civil engineering, electrical engineering, computer science, information technology and business management.

Funded largely by money from the United Nations Development Program, Japan, the Netherlands and the Rwandan Ministry of Education, KIST also offers constantly overbooked evening courses in management, languages and computer science.

"The educated class in this country was specifically targeted during the genocide, and formal education was completely destroyed," says Silas Lwakabamba, the school's rector, pointing to a computer-filled classroom with Internet-connected students. "Our initial objective here is to begin to fill the almost total vacuum that exists in many professionals fields."

Another priority in the country today, of course, is to determine precisely where educated students are required in the future.

"Our educational goals must be closely linked with our development needs," says Mr. Karemera. "We must concentrate on basic and practical courses in agriculture, health care and appropriate technologies so students can take what they learn back to the community."



Rwanda's commitment to education is reflected in new resources for primary school education (top) and state-of-the-art computer facilities at the Kigali Institute of Science, Technology and Management (above).



Diversification and privatization are modernizing Rwanda's high-potential agriculture sector.

FERTILE GROUND FOR GROWTH

Agriculture, already a key economic sector, is becoming more productive.

Agriculture, which employs more than 90 percent of the labor force and accounts for 37 percent of GDP, remains a key aspect of Rwanda's economy.

Last year, food production picked up by more than 11 percent, and the growth helped contain inflationary pressures.

"Tea and coffee are still the most significant aspect of our agricultural sector and overall economy," says Gerald Zirimwabagabo, minister of state for agriculture, noting that agrarian growth also fuels exports and increases income for small farmers. "We are making these sectors more competitive through privatization and other incentives, including the removal of the tax on coffee."

Increasing output

Although there has recently been a steep decline in international coffee prices, the government hopes to increase annual output fourfold, to 60,000 tons, within the next decade. The tea sector, where exports have risen from 4,000 tons in 1993 to 11,000 tons in 1998, is also being revitalized through privatization, an allotment of increased acreage, better roads to estates and a more competitive marketplace.

Agricultural production — which also includes crops ranging from bananas, cassava, sweet potatoes, beans and peas to millet and groundnuts — is being improved across the board by new conservation, fertilization, intensification, training and management methods. There are programs under way to expand arable surfaces, extend research services, create better distribution methods, enable loans for small-scale farmers and add value to traditional agricultural products.

Garden of Eden

Diversification is also being encouraged. Mr. Zirimwabagabo says Rwanda, which is often compared by floriculturalists to the Biblical Garden of Eden, could become a center for flower production. He is seeking to broaden the worth of the livestock sector by creating a leather industry.

"Location, location" is sometimes part of Rwanda's agricultural allure: "You can't move 15 million tea bushes," says Joseph Wertheim, president of Tea Importers Inc., which has a 51 percent stake in Sorwarhe, a company that now produces more than 20 percent of Rwanda's annual tea output while supporting more than 3,000 independent growers. "That's where they are, so that's where we are."

WANDA

IMPROVING QUALITY

Rwanda's Government

aim of comprehensive
by the tragic genocide
that the principal end
has been the private
and has put in place
owned enterprises. It
President Bizimungu
policy on privatization
and Public Investment
powers to liquidate
wholly any public en
ation.

On August 25, 1998
es be privatized as
additional 18 enter
Privatization Program

Tea Factories

1. Mata Tea Factory
2. Kibuye Tea Factory
3. Gashaka Tea Factory
4. Shamba Tea Factory
5. Gashaka Tea Factory
6. Phinda Tea Factory
7. Rubaya Tea Factory
8. Nyabihu Tea Factory
9. Muhindi Tea Factory

RWANDA



ALL TOGETHER NOW: MAKING THE COUNTRY WORK

Enthusiasm and dedication impress observers.

It is impossible to visit Rwanda today and not witness vivid reminders of the ravages of war as the country continues to come to terms with its horrific past and the human, social, legal and economic impact of the genocide.

Orphanages and resettlement villages are omnipresent, poverty is widespread, prisons are packed with suspects awaiting trial for war crimes, and there are moving genocide memorials.

"I have never seen a place more beautiful or a sight more horrible," concluded U.S. Secretary of State Madeleine Albright following a visit to the skull-and-bone-filled genocide memorials at Nyamata and Ntarama, where tens of thousands of Tutsis were killed about an hour's drive from Kigali. "There is no forgetting genocide, and there can be no true reconciliation without accountability. This will only happen if the peoples of the region — Hutu and Tutsi alike — find a way to live and work together peacefully... and establish political and social networks based on inter-ethnic cooperation." That reconciliation process is under way.

Resilience and determination

"Healing is possible here, and I am impressed with the manner in which the Rwandans are handling all of these issues when the wounds are still so open," says Poul Nielson, the Danish minister for development cooperation, who calls the memorials "the Dachau of Africa." The country, once better known as "the land of a thousand hills" and renowned for the mountain gorillas living in the Birunga National Park, can today be primarily applauded for its remarkable resilience and determination.

"Many of the returnees here today came back following the genocide because they really want the country to work," says Francois du Plessis, chief executive officer of MTN Rwanda. He recalls his amazement on being told that he would lose any chance of obtaining a business license if he tried to bribe government officials.

Giving back to society

"The intriguing thing about Rwanda is the pervasive sense of enthusiasm and dedication," adds Paul Murray, head of academics at the Kigali Institute of Science, Technology and Management. "Our students not only want to learn but also to take what they learn back to society. They eagerly visit resettlement camps to set up fundamental and practical water or sanitation systems."

In fact, despite the past, life in Kigali and the countryside is comparatively normal. There was a "Peace Run" last October for the "International Eradication of Poverty Day," and the Commercial Bank of Rwanda, which recently held a family outing on the Kigali golf course for its employees, is planning to launch a cybercafé for customers later this year.

"One of the reasons that Rwanda is working is that everyone here knows they are in the same boat," adds John Madder, general manager of the Commercial Bank of Rwanda. "And they all feel some sort of individual responsibility about whether the boat will sink or float." ●

IMPROVING QUALITY OF LIFE FOR ALL

From health care and education to housing and infrastructure, significant strides have been made.

The civil war and genocide in Rwanda not only resulted in a million deaths and a severe displacement of the population, but also hampered the country's social and economic development.

Much of the nation's physical infrastructure was destroyed, skilled and educated labor disappeared, poverty increased, HIV infection levels were exacerbated and the environment suffered considerable damage. Infant mortality, for example, now stands at 119 per 1,000 births, higher than the figure for the rest of Africa.

Already one of the poorest countries in the world, Rwanda, where 70 percent of the population lives in poverty, compared with an average of 40-50 percent in other African countries, became even poorer.

Local initiatives

Despite some cases of mismanagement, the \$2 billion in aid from international organizations has been used to reintegrate refugees, provide basic infrastructure and food relief, restore administrative capacity and help create a judicial system to deal with war crimes trials.

Efforts undertaken by a number of government ministries and external

donors are also developing widespread and low-cost housing, boosting employment, expanding the health care network, improving educational facilities, preserving the environment and caring for the vast number of orphans, widows and other survivors of war, massacres and genocide.

But money is tight, and many programs — including those dealing with access to education, diversification of rural economic activity, improved agricultural production, and skills training — are longer-term propositions.

In fact, the impact of aid and economic growth on the social welfare of many ordinary citizens is still negligible.

"The resources we can put into education and health are some of the lowest in Africa," says Donald Kaberuka, minister of finance and economic planning, who notes that 93 percent of the country's development budget is financed by foreign loans and grants. "We don't have the funds or the people."

Fortunately, there is a heartening level of inspired activity in a variety of local quarters.

Students at the Kigali Institute of Science, Technology and Management, for example, have built sanitation systems

and wood-saving ovens for a number of resettlement estates, and the Netcare-King Faycal Hospital has given the population access to a state-of-the-art trauma unit, pathology services, scanners and other equipment.

"Our equipment, medical staff and facilities have reduced the need to send patients abroad for serious medical problems," says Dr. Pierre van Rooyen.

Concerted efforts

The Commercial Bank of Rwanda and other banks provide low-cost loans for housing, automobiles and small businesses, while MTN Rwanda donates funds to an orphanage in the Nelson Mandela Peace Village 90 minutes from Kigali.

"Our success depends upon the resolution of social problems by everyone in the country," says Aloysie Inyumba, minister of social affairs. She points out that the number of orphanages has declined from 89 to 39 during the past three years as children have been placed in foster homes.

"We have foreigners and locals, private companies and government organizations, and Hutu and Tutsis working together again on many practical levels to find solutions." ●



Improving quality of life throughout the country is a top priority, being achieved by a combination of international aid and local initiatives.

Privatization in Rwanda

Rwanda's Government of National Unity has embarked on a program of comprehensive economic and social reforms necessitated by the tragic genocide which befell the country in 1994. Recognizing that the principal engine of economic growth in Africa and elsewhere has been the private sector, Rwanda felt it should not be left behind and has put in place an ambitious privatization program of its state-owned enterprises. It started with a declaration by His Excellency President Bizimungu on April 11, 1995, which embodies a general policy on privatization. A year later, on March 11, 1996, a Privatization and Public Investment law was enacted, which gave the government powers to liquidate, hire out, restructure and divest partially or wholly any public enterprise, depending on the legalities of its creation.

On August 25, 1996, the government directed that 46 enterprises be privatized as soon as possible and government shares in an additional 18 enterprises be ceded to the private sector. The Privatization Program started to be implemented in October 1997

and since then, 20 enterprises have been sold, four are under liquidation and the process of selling another five is almost complete.

Privatization in Rwanda, like everywhere else, carries with it a number of challenges and opportunities. The way the players in the field respond to these challenges will determine Rwanda's economic future.

On the other hand, the range of opportunities for investors run the gamut from acquiring a growing business to increasing efficiency through better management of the acquired enterprise.

A crucial underlying assumption is that privatization is not an end in itself, but can be an instrument for making the government more efficient and the economy more productive when it is part of broader social reforms.

Ultimately, the success of privatization depends on developing a fully functioning market economy.

Rwanda will continue its liberal economic policies and our privatization policy will remain consistent, predictable and transparent.

The enterprises remaining to be privatized, including the most important, are as follows :

1. RWANDATEL : A National Telecommunication Company
2. ELECTROGAZ : A National Company for the production, transport and distribution of Water, Electricity and Gas.

Tea Factories

3. Mata Tea Factory
4. Kitabi Tea Factory
5. Gisakura Tea Factory
6. Shagasha Tea Factory
7. Gisovu Tea Factory
8. Pfunda Tea Factory
9. Rubaya Tea Factory
10. Nyabihu Tea Factory
11. Mulindi Tea Factory

Other Enterprises

12. National Mining Company (Redemi)
13. Hotel Izuba (GISENYI)
14. Hotel Akagera (UMUTARA)
15. Butare Rice Project
16. Bugarama Rice Project
17. Rwamagana Rice Project
18. Onatracom (National Bus Company)

The government has also decided to sell its shares in the following enterprises :

19. SOPAB (An animal Feeds Factory)
20. SONAFRUTS (A Fruit Juice Bottling Company)
21. RWANTEXCO (Blankets Manufacturing)
22. SORWAL (A Match Company)
23. BACAR (A Commercial Bank)
24. BCR (Rwanda Commercial Bank)
25. BRD (Rwanda Development Bank)
26. SONARWA (National Insurance Company)
27. B.K. (Banque de Kigali - A Commercial Bank)
28. Tabarwanda (A Tobacco Company)
29. Bralirwa (A Brewery)
30. Etiru (Wheat Factory)
31. Imprisco (Printery)
32. Magerwa (Inland Depot)
33. AMIRWANDA (Travel Company)
34. Rwandex (Coffee Processing & Exporting co)
35. Sorwathe (Tea Company)

For further information on opportunities for privatization, please contact :

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SPORTS

How the Falcons Reversed Field

Reeves Has Taken Them From the Bottom to a Shot at the Top

By Mark Maske
Washington Post Service

MIAMI — Only 15 months ago, the Atlanta Falcons had a 1-7 record in Dan Reeves' first season as their coach and were maintaining their tradition as one of the National Football League's worst franchises.

Just how bad have the Falcons been? Entering this season, they had seven winning seasons in 32 years of existence. They appeared in seven playoff games, and won two. They had not won a playoff game since 1991. They traded their future quarterback, Brett Favre, to Green Bay.

It all seems like ancient history now, though. The Falcons have the league's best record — 22-4 — over the last season and a half. They were 14-2 in the regular season and beat the San Francisco 49ers and Minnesota Vikings in the playoffs. They have 11 straight victories, and with one more — over the Denver Broncos on Sunday — they would go from being one of the most unlikely Super Bowl participants in history to being one of the most unlikely Super Bowl champions ever.

"We really gained a lot of momentum during the season," said Eugene Robinson, a Falcons safety. "But I think we've surpassed even our wildest dreams in making it to the Super Bowl. We have been playing high-caliber football throughout the year, but making it this far is definitely a dream come true."

How did the Falcons get here from there? Reeves deserves the credit, players say. Reeves, who took the Falcons to three Super Bowls, had just been fired by the New York Giants when the Falcons hired him as their coach and executive vice president in January 1997 and gave him final say over personnel matters. Reeves inherited a team that had gone 3-13 in 1996 and was full of dissension.

"I had some doubts in '96 about whether this organization would ever get there," said linebacker Jessie Tuggle, who's been with the Falcons since 1987. "I wasn't even sure I wanted to keep playing. But if it was going to turn around, I wanted to be there to see it. The key was Dan Reeves. When we got him, I knew we had a proven coach and I knew we had a chance to win. But I never thought we would come so far, so fast."

The cupboard wasn't quite bare when

Reeves arrived. The Falcons had running back Jamal Anderson, wide receiver Terance Mathis, left tackle Bob Whitfield, defensive ends Chuck Smith and Lester Archambeau and Tugge and fellow line-backer Cornelius Bennett. "We had guys with talent," Reeves said. "They'd just been beaten down by losing."

Still, there was plenty of work to be done, and Reeves made acquiring a quarterback and upgrading his defense his primary concerns.

The Falcons got lucky in their quarterback search. They narrowed their



choices to Elvis Grbac and Chris Chandler, who had lost his starting job with the Houston Oilers, his fifth NFL team. Chandler never had much of a chance to start because he never had been able to play healthy long enough to do so. But the Falcons went with him because the price was right. He was modestly paid, and the Falcons gave up only fourth- and sixth-round draft picks in the trade.

The rest fell into place. Cornerback Ray Buchanan left the Indianapolis Colts to sign a four-year, \$13 million contract with the Falcons. In April 1997, Reeves' first draft yielded tight end O.J. Santiago, linebacker Henri Crockett and left guard Calvin Collins. Some reclamation projects — defensive tackle Shane Dronett, cornerback Ronnie Bradford and fullback Bob Christian, all free agent signings — worked out better than the Falcons could have hoped.

"We were brilliant," Reeves said with a wink and a chuckle as he recalled how this Super Bowl team was built. "You've got to be real fortunate. Chris Chandler was the key."

The team began the 1997 season with five straight losses, and a 21-12 defeat at Carolina in late October that year dropped Atlanta's record to 1-7.

But the Falcons didn't wilt. They won six of seven games before a 29-26, season-ending loss to Arizona on a final-

second touchdown pass by Jake Plummer. That left them 7-9 for the season.

"The biggest thing was, when we were 1-7, we'd lost some close games, but they still believed in what we were doing," Reeves said of his players. "They still worked hard. They never pointed any fingers. They never complained. They just kept winning some games, and everything changed."

The loss that ended the '97 season didn't hurt either, Reeves said. "If we'd won that game, we might have believed we were good instead of working hard in the offseason to prove that we were good," Reeves said.

The Falcons signed Robinson, who appeared in the past two Super Bowls with the Green Bay Packers, as a free agent in March and got wide receiver Tony Martin in a trade with the San Diego Chargers in May. And they carried over their winning ways from the second half of last season into this season.

Chandler stayed healthy and became one of the league's more productive quarterbacks. Anderson, in between his "Dirty Bird" and zone dances, became the NFL's most dominant runner this side of the Broncos' Terrell Davis. The defense became one of the league's hardest-hitting units. And the Falcons had something to prove — that they aren't the Falcons of old.

"I think hungry is a word that has characterized us all year long," Robinson said. "We have an appetite to prove to everyone how good we are."

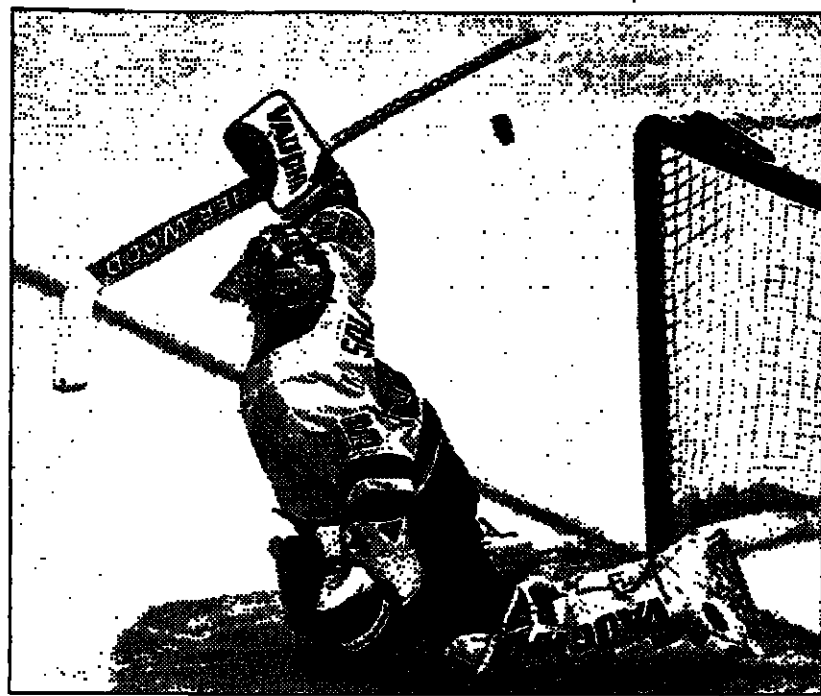
The Falcons say they aren't done yet. They insist that they're not in Miami simply to be the Broncos' second straight Super Bowl victim.

"If we play our best, I think we have a good chance of winning," Bennett said. "The Minnesota game showed we can win against anybody."

■ There's More Than Pride in It

Besides wanting to win the Super Bowl because of professional pride, Reeves and his Denver counterpart, Mike Shanahan, have another incentive — cash. The New York Times reported from Miami.

If Shanahan wins Super Bowl XXXIII, he will earn a \$500,000 bonus, according to people familiar with his contract. Reeves, who like Shanahan is both general manager and coach, is believed to have a similar clause in his contract and could also earn that much.



The Islanders' Tommy Salo deflecting a Bruins' shot in one of 25 saves.

Gretzky, Still in MVP Mode, Sets 'Em Up for the Rangers

The Associated Press

The National Hockey League returned from the All-Star break, and Wayne Gretzky kept playing like an MVP. Gretzky, who was named the most valuable player in Sunday's All-Star Game in Tampa had three assists —

NHL Roundup

his 37th, 38th and 39th — on his 38th birthday Tuesday night to lead the visiting New York Rangers to a 4-1 victory over the Washington Capitals.

"It was something that maybe gave me a little bit of an extra jump-start," Gretzky said of the All-Star weekend. Mike Richter made 34 saves for the Rangers, who were outshot 35-23.

Coyotes 1, Sabres 1 In Buffalo, Nikolai Khabibulin and Dominik Hasek, who both played for the World team in the All-Star game, resumed their goaltending rivalry. Khabibulin made 26 saves for Phoenix while Hasek stopped 24 shots for Buffalo.

Hurricanes 5, Penguins 3 Ray Sheppard scored two of Carolina's four

second-period goals and the visiting Hurricanes stopped a 12-game winless streak against the Penguins.

Panthers 3, Flyers 3 In Philadelphia, Pavel Bure scored three goals, giving him six in three games since being traded to Florida.

Islanders 4, Bruins 1 Robert Reichel had two goals and an assist and Tommy Salo stopped 25 shots as New York beat visiting Boston.

Devils 4, Senators 1 Chris Terreri stopped 24 shots as New Jersey beat Ottawa for the first time in four games this season.

Canadians 2, Lightning 1 Martin Rucinsky scored twice in the second period and Jeff Hackett stopped 28 shots as Montreal won in Tampa.

Red Wings 4, Predators 1 Martin Lapointe and Sergei Fedorov both scored in the opening minutes and Chris Osgood stopped 25 shots as visiting Detroit beat Nashville.

Blues 3, Sharks 0 Goaltender Rich Parent gained his first career shutout and Scott Young and Pierre Turgeon scored goals as St. Louis won in San Jose.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

| Atlantic | North | West | Central | South |
|-----------------------------------|-----------------------------|------------------------------|------------------------------|----------------------------|
| Philadelphia 24 10 11 59 136 90 | Toronto 27 16 3 57 132 130 | San Jose 22 19 7 42 121 125 | St. Louis 17 19 7 42 114 108 | Florida 17 19 7 42 114 108 |
| New Jersey 24 14 5 57 133 117 | Ottawa 25 15 4 54 134 105 | St. Louis 17 19 7 42 114 108 | St. Louis 17 19 7 42 114 108 | Florida 17 19 7 42 114 108 |
| Pittsburgh 20 15 7 42 121 125 | Buffalo 20 17 8 42 117 101 | St. Louis 17 19 7 42 114 108 | St. Louis 17 19 7 42 114 108 | Florida 17 19 7 42 114 108 |
| N.Y. Islanders 15 29 3 33 110 137 | Montreal 18 21 8 44 108 121 | St. Louis 17 19 7 42 114 108 | St. Louis 17 19 7 42 114 108 | Florida 17 19 7 42 114 108 |

FOOTBALL

NATIONAL FOOTBALL LEAGUE

| AFC | NFC |
|----------------------------|-------------------------------|
| Pittsburgh 10 4 1 21 28 24 | San Francisco 10 4 1 21 28 24 |
| San Diego 10 4 1 21 28 24 | San Francisco 10 4 1 21 28 24 |
| San Diego 10 4 1 21 28 24 | San Francisco 10 4 1 21 28 24 |
| San Diego 10 4 1 21 28 24 | San Francisco 10 4 1 21 28 24 |

LEADING COLLEGES

Army 77, New York 60
Fordham 64, Massachusetts 60
Providence 55, Villanova 72

WOMEN

No. 12 Penn (10-0) def. No. 19 Ohio St. (13-0) 64-50

NBA PRESEASON

Boston 106, Toronto 88
Houston 106, San Antonio 104

CRICKET

South Africa 10, West Indies 8
Third one-day international

WEDNESDAY IN DURBAN, SOUTH AFRICA

South Africa 274-9 in 50 overs.

SOCCER

Italy 1, Germany 1
Aggregates 2-2. Germany won on away goals rule.

FRIENDLY INTERNATIONAL

Malta 2, Bosnia 1

TENNIS

AUSTRALIAN OPEN

Wednesday in Melbourne

Women's Singles
Martina Hingis (2) Switzerland, def. Mary Pierce (7) France 6-3, 6-4.

Women's Doubles
Pam Shriver (2) U.S. and Patricia Tarabini (2) U.S. def. Martina Navratilova (2) Czech Rep. and Jana Novotna (2) Czech Rep. 6-3, 6-4.

Women's Singles
Lindsay Davenport (1) U.S. and Natasha Zvereva (1) Belarus, def. Yvonne Boulais (1) Canada and Amel Mauresmo (1) France 6-2, 6-3.

Women's Doubles
Martina Hingis (2) Switzerland, and Anna Kournikova (2) Russia, def. Lisa Raymond (2) U.S. and Rennae Stubbs (2) Australia 6-3, 5-7, 6-4.

Women's Singles
Tommy Ho, Germany, def. Vince Spadna, U.S. 7-4 (7-6), 7-5, 6-3.

Women's Doubles
Elisa Ferreres (2) Spain and Rick Leach (2) U.S., def. Patricia Kumburli, U.S. and Paul Hanley (2) Netherlands 7-6 (6-4), 6-4.

Women's Singles
Joan Starkman (2) U.S. and Patricia Rafter (2) Australia, def. Gustavo Kuerten, Brazil and Nicolas Pietrangeli, Ecuador, walkover.

Women's Doubles
Elisa Ferreres (2) Spain and Rick Leach (2) U.S., def. Patricia Kumburli, U.S. and Paul Hanley (2) Netherlands 7-6 (6-4), 6-4.

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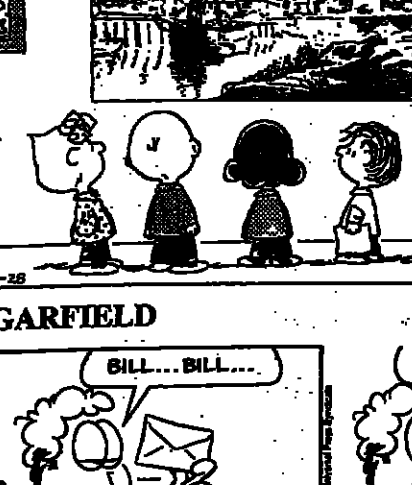
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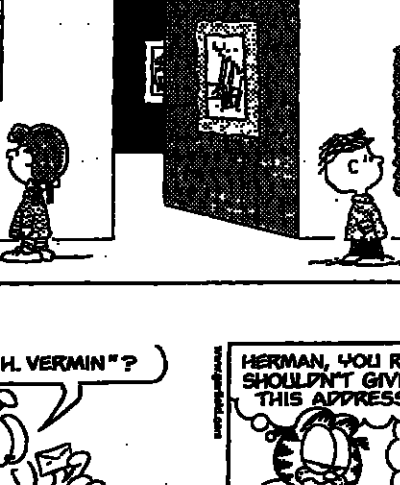
DENNIS THE MENACE



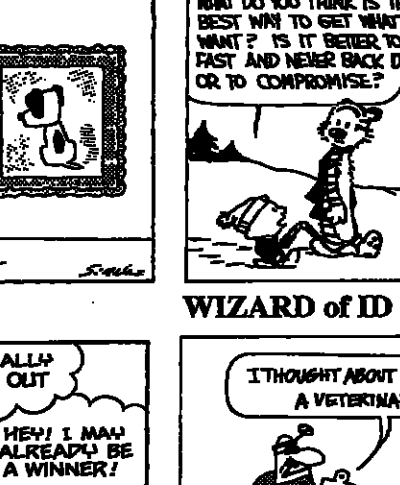
PEANUTS



GARFIELD



WIZARD OF ID



NON SEQUITUR



Pippen Back In Form as Rockets Beat San Antonio

The Associated Press

Scottie Pippen's debut with the Houston Rockets was a success.

Pippen, who played his first 11 seasons with the Chicago Bulls, had 15 points and 11 rebounds Tuesday night in helping the Houston Rockets to a 105-104 exhibition win over San Antonio.

"I don't feel weird at all," Pippen said. "I'm fitting in comfortably. I feel we did a pretty good job."

The Rockets gave away all 16,285 seats to the game. Not every seat was filled, but fans clearly were glad to have the owners in a dispute with the players that shortened the season to 50 games starting Feb. 5.

"It was such a long layoff," Pippen said. "It was hard to know what to expect, but I am really glad the fans supported us."

In Toronto, several people were hurt as thousands of fans — taking advantage of free admission — tried to enter through a single gate at SkyDome for the Raptors' game against Boston.

The surge of fans created a mini-stampede that produced four smashed doors and some broken turnstiles. No serious injuries were reported.

Fans had begun lining up as early as noon because of the free-ticket offer, part of the NBA's plan to win back fans.

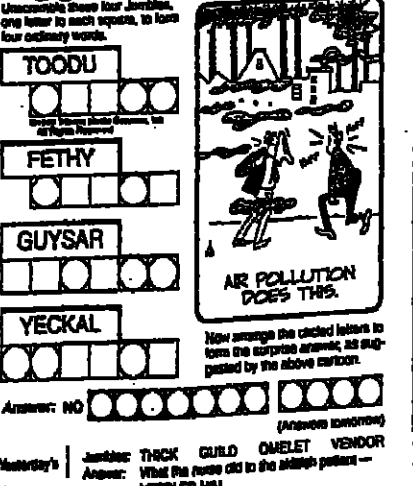
In the game, Ron Mercer scored 25 points, including Boston's first 11, as the Celtics beat the Raptors, 105-88.

In Philadelphia, Allen Iverson signed a six-year, \$70.9 million contract extension with the 76ers.

Iverson, who lost his chance at a \$100 million mega-contract with the NBA's new collective bargaining agreement, signed for nearly the maximum allowed a player of his experience. He decided not to wait until July 1, when he could have negotiated a seven-year deal with any team for more than \$86 million.

In Vancouver, Shaquille O'Neal and the Grizzlies agreed to a six-year, \$71 million extension. The forward could have become a free agent at the end of this season.

JUMBLE



BEETLE BAILEY



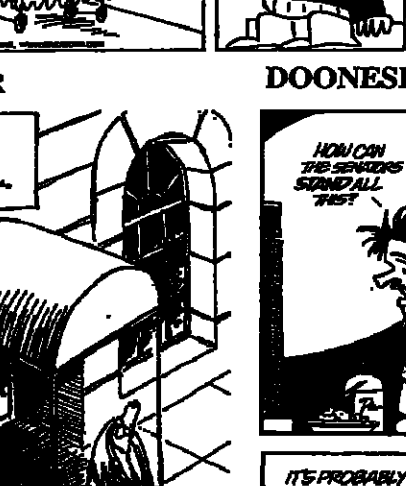
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ART BUCHWALD

Impartially Speaking

NEW YORK — Like all Americans I have been watching the Senate hearings concerning President Bill Clinton with awe and excitement. What makes America great is that 100 senators have been able to sit as "impartial" jurors and judge the president on the merits of the case. Forty-five are for acquitting Clinton, and 55 are for hanging him. Since they have been sitting on Democratic and Republican benches, not one has budged from his party's line. To do so would be political suicide.



One senses, without judging them, that the Republicans have not persuaded the American people that Clinton must be dragged down Pennsylvania Avenue in chains by a horse. The Republicans maintain they are crucifying the president only because it is their sworn duty. The Democrats all admit Clinton did a dastardly thing, and one that no one can condone. At the same time, what the president did—and everyone is agreed he did

something—doesn't allow us to throw out the commander-in-chief with the bath water. The image of Republicans at the moment is that they are a group of grumpy old men. This came about when America watched the president give his State of the Union speech. Every time the cameras panned to the Republicans they looked as if they were doing a Preparation H commercial.

No one knows the reason they looked so unhappy, except that Clinton was winning the hearts and minds of the American people in the same chamber that he was being tried for high crimes and misdemeanors.

There was no doubt that they were in pain, even more so than when the polls in favor of Clinton came out the next day.

Since I am not one of the 100 impartial jurors I am not in a position to judge whether Clinton should lose his job. But what makes the hearings so enjoyable is that there is no meanness in the proceedings.

The senators just want to serve their country, and it doesn't matter if they take the Democratic or the Republican side, as long as they don't vote their convictions.

Saint-Exupery Bracelet Ruled a Fake

The Associated Press

PARIS — A silver identification bracelet dredged from the Mediterranean and thought to have belonged to the author Antoine de Saint-Exupery is a fake, a magazine reports. Saint-Exupery vanished in his warplane on July 31, 1944, near the French coast of the Mediterranean while on an Allied mission. Last September, a French fisherman netted a rusty bracelet inscribed with the names of Saint-Exupery's wife and his publishers, leading searchers to believe that the wreckage of his plane was nearby.

But the monthly Science and Life, to be published Thursday, stressed the bracelet's "state of conservation and freshness" and said that if it had been in sea water for more than 50 years, it would have been covered with a crust of silver chloride.

American in Berlin Looks Forward and Back

By Roger Cohen

New York Times Service

BERLIN — W. Michael Blumenthal has a room with a typically disjointed Berlin view. In the foreground, the gracious 18th-century dome of the German Cathedral, the work of an imperial power that ended badly. In the background, a maze of cranes, symbols of this city's latest stab at inventing a glorious future.

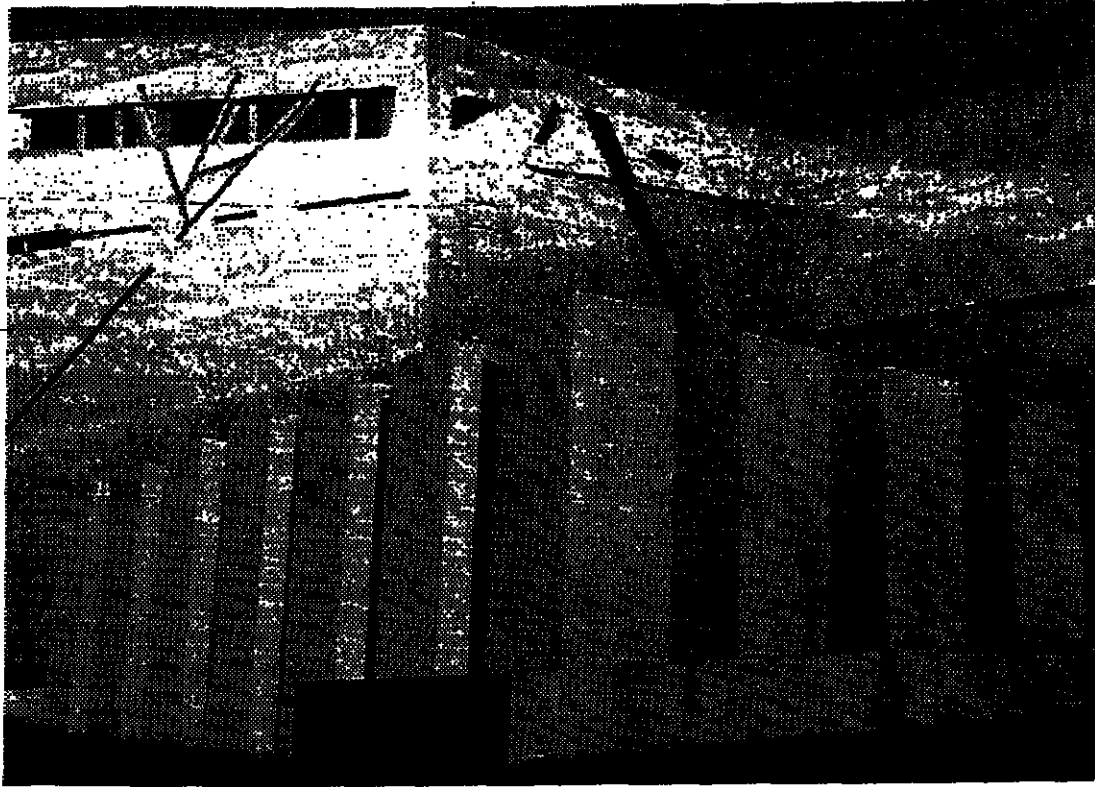
Past and future are everywhere in this town, where museums and vast construction sites abut each other awkwardly, but few people bear as onerous a responsibility in trying to reconcile them as this 73-year-old American, whose life has come full circle to place him back in the city from which Hitler drove him.

Blumenthal accepted a symbolic key to Berlin's new Jewish Museum from a city official on Monday in a ceremony marking the building's completion. Designed by the American architect Daniel Libeskind, the museum amounts to an architectural sculpture whose disorienting form and towering empty spaces capture the vertiginous pinnacles and voids of Jewish life in Germany and of Berlin itself.

The difficult task of filling this building in a way that tells the story of the 2,000-year Jewish presence in Germany now falls to Blumenthal, the museum's director. He was a secretary of the Treasury under President Jimmy Carter and is a retired chief executive of the computer company Unisys, but his qualifications for this arduous aesthetic undertaking are by no means self-evident.

But in Blumenthal exist many of the tensions that this city and its new museum must struggle to resolve. In this sense, he is a natural occupant of a building where it is very hard to draw a straight line from one point to another.

Blumenthal's internal grappling—memories of a sunny early childhood in Berlin, the Nazi cataclysm that took many relatives, success in his adopted American home and an



The Jewish Museum in Berlin, designed by the American architect Daniel Libeskind.

unexpected desire to return and resolve some unfinished business — is merely one version of the many dislocated stories that make it so difficult for Berliners to link past and future.

"People here often say to me, 'You are really a Berliner,' and of course I could be German if I wanted," Blumenthal said. "But I feel very strongly about the United States, which has been very good to me over 30 years, and I'd like to borrow my adopted country's message of building bridges."

"What really concerns me is whether remembrance can be brought to the point where there is harmony, or at least understanding, or will each side, Germans and Jews, remember in a way that brings resentments?"

In the immense tracts of land

where the Berlin wall once stood and a new city is being born, in the former buildings of Hitler's Reich now set to become federal ministries once again, the question is endlessly posed by the silhouetted cranes: How should the past be remembered in a way that secures and solidifies the future?

The question is there for former East Germans abruptly released from the confines of communism into a Western world that has sometimes been less than welcoming, just as it is there for this Jewish American businessman who fled Berlin in 1939, who passed the war years in Shanghai and who arrived in the United States in 1947.

Blumenthal is working closely with Shalke Weiberg, the first director of the Holocaust Memorial

Museum in Washington, on what he hopes will be a compelling narrative of the rich Jewish presence in Germany that was shattered by Hitler. The intention is not to show a host of Jewish artifacts, however splendid, but to tell a story.

The last Jewish Museum in Berlin was opened on Jan. 24, 1933, just six days before Hitler came to power. It did not survive long. Since then, the German view of Jews, who now number about 80,000 in Germany, compared with a prewar total of 500,000, has inevitably come to be filtered through the overwhelming prism of the Holocaust.

"I do not want young Germans to view Jews solely as victims," Blumenthal said. "I want to show that their own history was linked to a flowering Jewish intellectual,

professional and cultural presence for many years. I want to insure that Jews are seen as what they once were here: citizens."

In this task, the museum director faces an obvious danger: The building — fractured, destabilizing, troubling — may overwhelm any exhibit with the force of a message that is in many ways dark. Another danger, now looming, is that Blumenthal may be overwhelmed by the sheer scale of what he has taken on.

At the same time as the Jewish Museum develops — it will be open to the public from next month but will not contain any exhibits until the end of next year — another enormous project about remembrance is supposed to take form. This is the Holocaust Memorial, next to the Brandenburg Gate, and under proposals made this month, Blumenthal would oversee this project too. For him, the distinction between the museum and the memorial is clear. The former will tell a history of the Jews; the latter — a vast field of stones, a 65-foot-high wall of books and a research center — will be a place of remembrance and reflection.

But already the mayor of Berlin, Eberhard Diepgen, has objected, saying the latest plans for the memorial "raise more questions than they answer." A prominent Christian Democratic politician, Uwe Lehmann-Brauns, said that a new design for the memorial by the New York architect Peter Eisenman was "repulsively functional." And some newspapers have begun to ask why the Jewish Museum and the proposed Holocaust Memorial are both designed and run by Americans.

"The challenge is enormous," Blumenthal conceded. "The German thirst to be 'normal' again is strong. I often hear from Germans that enough is enough and, in some ways, I understand. But the enormity of what happened demands that, even at this late hour, we find the right symbols of remembrance."

PEOPLE



BOOK BROTHERS — The Egyptian writer Anis Mansour, left, and the poet Abdel Rahman Al Abnoudi at the opening of the Cairo Book Fair.

THE Watergate apartment where Monica Lewinsky had phone sex with the president and stored her now famous blue dress has been bought by President Bill Clinton's former rival, Bob Dole. The Chicago Tribune reported Wednesday that Dole, who lost the presidential race to Clinton in 1996, bought the two-bedroom apartment adjoining his own and plans to knock down a wall separating them. It was at the Watergate that Lewinsky described the affair in lengthy telephone calls with Linda Tripp. Lewinsky had lived in the apartment for a time with her mother.

Brad Pitt has been granted a temporary restraining order against a teenager accused of breaking into his home in the Los Angeles area and trying on his clothes. Athena Marie Rolando, 19, was barred from contacting the star or coming within 100 yards of him. The actor said Rolando had left "many menacing and bizarre letters" at the front gate of his home beginning in September 1996. She hoisted herself through a win-

dow of Pitt's home on Jan. 7, police said, and a caretaker found her wearing Pitt's clothes and sleeping in a bedroom.

The manservant of Prince Charles, was charged with drunken driving after a crash that left one person injured, police said Wednesday. Bernard Flannery

One more artifact for his medical mu-

seum: Michael Jackson broke his wrist. Now he really has to wear something on his hand — a white, bandage-like wrist corrector. A spokesman said the injury, whose origin was not disclosed, would not hamper the Gloved One's activities.

Hughes Wins Whitbread Posthumously

Agence France-Press

LONDON — The British poet Ted Hughes, who died last year, has become the first writer to win the Whitbread award twice and the first to win it consecutively and posthumously.

"Birthday Letters," which for the first time revealed his feelings after the suicide of his first wife, the poet Sylvia Plath, 35 years ago, was declared the winner of the £21,000 (about \$35,000) prize. He won the prize in 1998 for his translation of "Tales from Ovid."

"Birthday Letters" is a collection of poems that focuses on his life with Plath. It was Hughes's last publication before his death last year at 68 from cancer. Unusually for a book of poetry, it topped the best-seller lists, and it became the fastest selling collection of poetry in Britain this century, selling 150,000 hardback copies. Earlier this month it won the T. S. Eliot prize for poetry.

His and Plath's daughter, Frieda, accepted the prize on her father's behalf.

"Shakespeare in Love" led movie nominees for the Fifth Annual Screen Actors Guild Awards, which will be presented on March 7. Nominees in 13 movie and TV categories were selected by a committee of 4,200 randomly selected SAG members. All 95,000 active members may vote for winners. Nominated for best actor were: Roberto Benigni, "Life Is Beautiful"; Joseph Fiennes, "Shakespeare in Love"; Tom Hanks, "Saving Private Ryan"; Ian McKellen, "Gods and Monsters"; and Nick Nolte, "Affliction." The best actress nominees are: Cate Blanchett, "Elizabeth"; Jane Horrocks, "Little Voice"; Gwyneth Paltrow, "Shakespeare in Love"; Meryl Streep, "One True Thing"; and Emily Watson, "Hilary and Jackie."



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